

HOUSE OF REPRESENTATIVES.

TUESDAY, May 19, 1914.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Bring us, we pray Thee, our Father in heaven, by Thy holy influence, into harmony with the great eternal plan that with clear minds, strong hearts, and willing hands we may work together with Thee for the final consummation of good. That Thy kingdom may indeed come in every heart and Thy will be done to the honor and glory of Thy holy name. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER.

Mr. UNDERWOOD. Mr. Speaker, I desire to present to the House Judge C. C. HARRIS, of Alabama, who has been elected without opposition to succeed the late Representative Richardson from the eighth district of Alabama, to fill the vacancy caused by Judge Richardson's death. Judge HARRIS was elected last Monday without any opposition, but his credentials have not yet arrived. I ask unanimous consent that he may take the oath of office now.

The SPEAKER. The gentleman from Alabama states that Judge HARRIS, successor to Judge Richardson, is present; that he was elected without opposition from the eighth Alabama district; and that his credentials have not yet arrived; and he asks that he be allowed now to take the oath of office. Is there objection? [After a pause.] The Chair hears none.

Mr. HARRIS appeared at the bar of the House and took the oath of office required by law.

THOMAS B. MCCLINTIC.

Mr. POUL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 661) for the relief of the widow of Thomas B. McClintic, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the Senate bill 661 and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. POU, Mr. DIES, and Mr. MOTT.

LEAVE OF ABSENCE.

Mr. ROGERS, by unanimous consent, was given leave of absence for one week, on account of the serious illness of his father.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3886. An act to repeal sections 2588, 2589, and 2590 of the Revised Statutes of the United States; to the Committee on Ways and Means.

CONDITIONS IN COLORADO.

Mr. SELDOMRIDGE. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a copy of a joint resolution adopted by the Colorado Legislature, approved May 15, 1914, with reference to conditions existing in that State growing out of the strike. In view of the statements that have been made on the floor of the House I would like to have this resolution printed in the RECORD.

Mr. MADDEN. What does the resolution say?

Mr. SELDOMRIDGE. I will have them read if the gentleman desires.

The SPEAKER. The gentleman from Colorado asks unanimous consent to have printed in the RECORD certain resolutions passed by the Colorado Legislature relating to the strike in Colorado.

Mr. BARNHART. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if these resolutions refer directly to remarks made on the floor of the House?

Mr. SELDOMRIDGE. They refer to conditions in the public mind, not only in Colorado but elsewhere throughout the country, which have grown out of remarks made on conditions in that State, some of which have been made, I have no doubt, on the floor of the House.

Mr. BARNHART. Is the gentleman sure that remarks have been made on the floor of the House?

Mr. SELDOMRIDGE. I am not sure; but I am satisfied there have been.

Mr. BARNHART. Mr. Speaker, until the gentleman can give us an assurance that the resolutions are the result of remarks made on the floor of the House I shall object.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the following titles:

S. 5066. An act to increase the authorization for a public building at Osage City, Kans.;

S. 5552. An act to amend an act entitled "An act for the relief of Gordon W. Nelson," approved May 9, 1914;

S. 65. An act to amend an act entitled "An act providing that the State of Wyoming be permitted to relinquish to the United States certain lands heretofore selected and to select other lands from the public domain in lieu thereof," approved April 12, 1910; and

S. J. Res. 139. Joint resolution to authorize the President to grant leave of absence to an officer of the Corps of Engineers for the purpose of accepting an appointment under the Government of China on works of conservation and public improvement.

WARNING SIGNALS FOR VESSELS WORKING ON WRECKS.

Mr. MANN. Mr. Speaker, yesterday the House passed the Senate bill 5289 to provide for warning signals for vessels working on wrecks, and so forth, and corrected the title. There were two amendments to correct the title and they were both wrong. The bill relates to the amendment to an act approved June 7, 1897, the title as amended providing either for an amendment to an act approved June 7, 1897, or June 27, 1890, it is impossible to tell which. I ask to have the title corrected so that it will be to amend an act approved June 7, 1897.

In the first amendment adopted in the House yesterday to strike out the language which appears in lines 3 and 4 of the bill reported to the House, the language stricken out should have been "marking a wreck or," and there should have been inserted as a part of the amendment at the end of the amendment the word "by." I ask unanimous consent that the vote by which the bill was passed may be reconsidered, and the bill returned to a second reading so that these corrections may be made.

The SPEAKER. The gentleman from Illinois asks to vacate the proceedings on the bill S. 5289 back to the amendment stage. Is there objection?

There was no objection.

Mr. MANN. Now, Mr. Speaker, I ask to have the amendment which was agreed to corrected: to strike out the language proposed to be stricken out by the first amendment, "marking a wreck or," and that there be added to the amendment agreed to at the end the word "by."

The SPEAKER. The gentleman asks unanimous consent that the words "marking a wreck or" be stricken out and that the word "by" be inserted at the end of the amendment. Is there objection?

There was no objection.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "June 7, 1897."

STANDARD OIL.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the influence of Standard Oil in the midcontinental oil field.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD on the subject of influence of the Standard Oil in the midcontinental oil field. Is there objection?

There was no objection.

RURAL CREDITS.

Mr. WILSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of rural credits.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD on the subject of rural credits. Is there objection?

There was no objection.

CONTRIBUTION FOR POLITICAL PURPOSES.

Mr. RUCKER. Mr. Speaker, I call up House resolution 256. On last Friday I asked unanimous consent to revise and extend my remarks in the RECORD, but I notice that the request was not put by the Speaker. I now renew that request.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the resolution. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the resolution by title.

The Clerk read the resolution by title, as follows:

Resolution (H. Res. 256) providing for the appointment of a committee to investigate and report whether any Members have been guilty of violating the provisions of the Criminal Code by soliciting contributions for political purposes, etc.

The SPEAKER. On last Friday, just before the House adjourned, the gentleman from Missouri moved the previous question, and the question now is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question now is on striking out the original resolution and inserting.

Mr. AUSTIN. Mr. Speaker, I ask that the resolution may be reported, as there were not many Members in the House on Friday afternoon.

Mr. UNDERWOOD. Mr. Speaker, the resolution is somewhat long, and as the substitute is what we are voting on I ask that the substitute be read.

Mr. MANN. Oh, I take it this would require only the reading of the original resolution at this time, and not the preamble.

Mr. UNDERWOOD. Very well, Mr. Speaker, with that understanding, I do not object.

The SPEAKER. The Clerk will read the Mann resolution and then the Rucker substitute.

The Clerk read as follows:

Resolved, That a committee of seven Members shall be appointed by the Speaker to investigate and report to this House whether any Members of this House have been guilty of violating any of the provisions of the Criminal Code by soliciting or receiving or by being in any manner concerned in soliciting or receiving any assessment, subscription, or contribution for any political purpose whatever from any person receiving any salary or compensation from moneys derived from the Treasury of the United States, and particularly from Members of this House, to the end that it may be ascertained whether the Members of this House, constituting in part the law making branch of the Government, are above the law.

Substitute:

Resolved, That it is no violation of section 118 of the Criminal Code of the United States for a Senator or Member of the House to solicit or receive assessments or contributions for political purposes from other Senators or Members of the House.

Resolved, That it is no violation of section 119 of the Criminal Code of the United States for a Senator or Member of the House to solicit contributions for political purposes, from other Senators or Members of the House, by letters written in his office in the Senate or House Office Building.

The SPEAKER. The question is on agreeing to the substitute which the committee reported to strike out the original resolution.

The question was taken; and on a division (demanded by Mr. RUCKER) there were—ayes 71, noes 44.

Mr. MANN. Mr. Speaker, I demand the yeas and nays; and pending that, as a matter of convenience to the Members, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 178, nays 80, answered "present" 22, not voting, 154, as follows:

YEAS—178.

Abercrombie	Claypool	Gordon
Adair	Cline	Gorman
Adamson	Coady	Graham, Ill.
Aiken	Collier	Gray
Alexander	Connelly, Kans.	Gregg
Allen	Conry	Hamlin
Aswell	Covington	Hammond
Baker	Crosser	Hardy
Baltz	Davenport	Harris
Barkley	Decker	Harrison
Barnhart	Dent	Hart
Bathrick	Dickinson	Hay
Beakes	Dixon	Hayden
Beall, Tex.	Donovan	Helm
Blackmon	Doolittle	Henry
Booher	Doughton	Hensley
Borchers	Dupré	Hill
Borland	Eagan	Hinebaugh
Bowdie	Eagle	Hobson
Brown, W. Va.	Edwards	Howard
Buchanan, Tex.	Evans	Hughes, Ga.
Bulkley	Ferguson	Hull
Burgess	Ferris	Igoe
Burke, Wis.	FitzHenry	Jacoway
Burnett	Flood, Va.	Johnson, Ky.
Byrnes, S. C.	Floyd, Ark.	Kenting
Byrns, Tenn.	Fowler	Kettner
Candler, Miss.	Gallagher	Key, Ohio
Cantor	Gallivan	Kindel
Cantrill	Garner	Kinkead, N. J.
Caraway	Garrett, Tex.	Korby
Carew	Gilmore	Lazaro
Carter	Goeke	Lee, Ga.
Clancy	Goodwin, Ark.	Lever

Lieb
Linthicum
Lloyd
Lobeck
Loneragan
McAndrews
McDermott
McGillendy
MacDonald
Maguire, Nebr.
Mitchell
Moon
Morgan, La.
Morrison
Murray, Mass.
Neeley, Kans.
Neely, W. Va.
Nolan, J. I.
O'Brien
Oldfield
O'Leary
O'Shaunessy
Padgett
Page, N. C.
Park
Patten, N. Y.
Post
Pou
Raessdale
Rainey
Raker
Rauch
Rayburn

Reed
Relly, Conn.
Rouse
Rubey
Rucker
Russell
Sherwood
Sisson
Small
Smith, Md.
Smith, N. Y.

Sparkman
Stedman
Stephens, Cal.
Stephens, Miss.
Stephens, Nebr.
Stephens, Tex.
Stevens, N. H.
Stout
Summers
Tazgart
Talbot, Md.

Tavener
Taylor, Ark.
Taylor, Colo.
Ten Eyck
Thomas
Thompson, Okla.
Thompson, Ill.
Tribble
Underhill
Underwood
Vaughan

Vollmer
Walker
Webb
Whitacre
Williams
Wilson, Fla.
Wingo
Woodruff
Young, Tex.

NAYS—80.

Anderson
Anthony
Austin
Barton
Bell, Cal.
Britten
Browne, Wis.
Bryan
Calder
Campbell
Cary
Cooper
Cox
Cramton
Cullop
Danforth
Davis
Dillon
Drukner
Dunn

Dyer
Esch
Fordney
Frear
French
Gardner
Green, Iowa
Greene, Mass.
Hamilton, Mich.
Hamilton, N. Y.
Haugen
Hawley
Helgesen
Hinds
Howell
Humphrey, Wash.
Johnson, Utah
Johnson, Wash.
Kahn
Kelley, Mich.

Kennedy, Iowa
Kennedy, R. I.
Kinkaid, Nebr.
Knowland, J. R.
La Follette
McKenzie
McLaughlin
Madden
Mann
Mans
Mondell
Moore
Mortman, Okla.
Norton
Parker
Payne
Peters, Mo.
Peterson
Platt
Plumley

Powers
Roberts, Mass.
Roberts, Nev.
Scott
Seidmridge
Sinnott
Sloan
Smith, Idaho
Smith, Minn.
Smith, Saml. W.
Stafford
Steenerson
Stevens, Minn.
Stone
Switzer
Towner
Weaver
Willis
Witherspoon
Young, N. Dak.

ANSWERED "PRESENT"—22.

Bartlett
Brockson
Browning
Burke, S. Dak.
Church
Doremus

Foster
Gerry
Glass
Guernsey
Holland
Houston
Lindbergh
Montague
Murray, Okla.
Peters, Mass.
Saunders
Sims

Smith, J. M. C.
Thacher
Watkins
Watson

NOT VOTING—154.

Ainey
Ansberry
Ashbrook
Avis
Bailey
Barchfeld
Bartholdt
Bell, Ga.
Brodbeck
Broussard
Brown, N. Y.
Bruckner
Brumbaugh
Buchanan, Ill.
Burke, Pa.
Butler
Callaway
Carlin
Carr
Casey
Chandler, N. Y.
Clark, Fla.
Clayton
Connolly, Iowa
Copley
Crisp
Curry
Dale
Deitrick
Dershem
Dies
Difenderfer
Donohoe
Dooling
Driscoll
Edmonds
Elder
Estopinal
Fairchild

Faison
Falconer
Farr
Fess
Fields
Finley
Fitzgerald
Francis
Gard
Garrett, Tenn.
George
Gillett
Gittins
Godwin, N. C.
Goldfogle
Good
Goulden
Graham, Pa.
Greene, Vt.
Griest
Griffin
Gudger
Hamill
Hardwick
Haves
Heflin
Helvering
Hoxworth
Hughes, W. Va.
Hullings
Humphreys, Miss.
Johnson, S. C.
Jones
Keister
Kelly, Pa.
Kennedy, Conn.
Kent
Kless, Pa.
Kirkpatrick

Kitchin
Konop
Kreider
Lafferty
Langham
Langley
Lee, Pa.
L'Engle
Lenroot
Leshner
Levy
Lewis, Md.
Lewis, Pa.
Lindquist
Loft
Logue
McClellan
McCoy
McGuire, Okla.
Mahan
Maher
Manahan
Martin
Merritt
Metz
Miller
Morin
Moss, Ind.
Moss, W. Va.
Mott
Murdock
Nelson
Oglesby
O'Hair
Paige, Mass.
Palmer
Patton, Pa.
Phelan
Porter

Prouty
Quin
Reilly, Wis.
Riordan
Rogers
Rothermel
Rupley
Sabath
Scully
Sells
Shackelford
Sharp
Sherley
Shreve
Slayden
Slemp
Smith, Tex.
Stanley
Stringer
Sutherland
Talcott, N. Y.
Taylor, Ala.
Taylor, N. Y.
Temple
Townsend
Treadway
Tuttle
Vare
Volstead
Wallin
Walsh
Walters
Whaley
White
Wilson, N. Y.
Winslow
Woods

So the substitute was agreed to.

The Clerk announced the following pairs:

For the session:

Mr. BARTLETT with Mr. BUTLER.

Mr. SCULLY with Mr. BROWNING.

Mr. METZ with Mr. WALLIN.

Until further notice:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. CASEY with Mr. SHREVE.

Mr. SMITH of Texas with Mr. BARCHFELD.

Mr. DALE with Mr. MARTIN.

Mr. SLAYDEN with Mr. BURKE of Pennsylvania.

Mr. BELL of Georgia with Mr. BURKE of South Dakota.

Mr. GUDGER with Mr. GUERNSEY.

Mr. CALLAWAY with Mr. MERRITT.

Mr. CARR with Mr. WALTERS (commencing May 18).

Mr. PALMER with Mr. VARE.

Mr. GLASS with Mr. SLEMP.

Mr. TOWNSEND with Mr. TREADWAY (commencing May 19, ending May 19).

Mr. WALSH with Mr. GRAHAM of Pennsylvania (commencing May 19, ending May 19).

Mr. OGLESBY with Mr. GOOD (commencing May 19, ending May 19).

Mr. TUTTLE with Mr. PROUTY.

Mr. FITZGERALD with Mr. GILLET (commencing May 19, ending May 19).

Mr. FOSTER with Mr. FESS.

Mr. KONOP with Mr. FAIRCHILD.

Mr. ANSBERRY with Mr. AINEY.

Mr. ASHBROOK with Mr. AVIS.

Mr. BAILEY with Mr. COPLEY.

Mr. BROWN of New York with Mr. CURRY.

Mr. BUCHANAN of Illinois with Mr. EDMONDS.

Mr. CARLIN with Mr. FARR.

Mr. CLARK of Florida with Mr. FALCONER.

Mr. CONNOLLY of Iowa with Mr. GREENE of Vermont.

Mr. DERSHEM with Mr. GRIEST.

Mr. DIES with Mr. HAYES.

Mr. DIFENDERFER with Mr. HULINGS.

Mr. DONOHUE with Mr. KEISTER.

Mr. DRISCOLL with Mr. KELLY of Pennsylvania.

Mr. FAISON with Mr. LAFFERTY.

Mr. FIELDS with Mr. LANGLEY.

Mr. FINLEY with Mr. LANGHAM.

Mr. FRANCIS with Mr. LEWIS of Pennsylvania.

Mr. GARD with Mr. LINDQUIST.

Mr. GARRETT of Tennessee with Mr. MANAHAN.

Mr. GODWIN of North Carolina with Mr. McGUIRE of Oklahoma.

Mr. GEORGE with Mr. MILLER.

Mr. GOLDFOGLE with Mr. MORIN.

Mr. HARDWICK with Mr. NELSON.

Mr. HEFLIN with Mr. MOSS of West Virginia.

Mr. HUMPHREYS of Mississippi with Mr. MOTT.

Mr. JOHNSON of South Carolina with Mr. MURDOCK.

Mr. KITCHIN with Mr. BARTHOLOMEW.

Mr. LEE of Pennsylvania with Mr. KIESS of Pennsylvania.

Mr. McCLELLAN with Mr. VOLSTEAD.

Mr. MCCOY with Mr. WOODS.

Mr. O'HAIR with Mr. WINSLOW.

Mr. PHELAN with Mr. PAIGE of Massachusetts.

Mr. QUIN with Mr. ROGERS.

Mr. RIORDAN with Mr. RUPLEY.

Mr. ROTHERMEL with Mr. PORTER.

Mr. SABATH with Mr. SUTHERLAND.

Mr. SHACKLEFORD with Mr. TEMPLE.

Mr. SHERLEY with Mr. PATTON of Pennsylvania.

Mr. TALCOTT of New York with Mr. KREIDER.

Mr. LEVY with Mr. SELLS.

Mr. BROWNING. Mr. Speaker, I voted "no." I am paired with the gentleman from New Jersey, Mr. SCULLY, and I desire to withdraw my vote of "no" and answer "present."

The name of Mr. BROWNING was called, and he answered "Present."

Mr. GLASS. Mr. Speaker, I am told I am paired with the gentleman from Virginia, Mr. SLEMP. I therefore withdraw my vote of "aye" and answer "present."

The name of Mr. GLASS was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the resolution as amended.

The question was taken, and the resolution as amended was agreed to.

On motion of Mr. RUCKER, a motion to reconsider the vote by which the amended resolution was agreed to was laid on the table.

ANTITRUST LEGISLATION.

Mr. HENRY. Mr. Speaker, I offer a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 521 (H. Rept. 687).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration, in the order named, of the following bills, to wit:

1. H. R. 15613. "To create an interstate trade commission." The first reading of the bill shall be dispensed with, and there shall be not exceeding six hours of general debate on the bill, to be equally divided between those who favor and those who oppose the same, one-half of such time to be controlled by the gentleman from Georgia [Mr. ADAMSON] and the other half by the gentleman from Oregon [Mr. LAFFERTY]. At the conclusion of such general debate the bill shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole, the same shall be laid aside with such recommendations as the committee may make.

2. H. R. 15657. "To supplement existing laws against unlawful restraints and monopolies." The first reading of the bill shall be dispensed with, and there shall not be exceeding 16 hours of general

debate, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Alabama [Mr. CLAYTON] and the other half by the gentleman from Minnesota [Mr. VOLSTEAD]. At the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule and only the substitute reported by the Judiciary Committee shall be read. After the bill shall have been perfected in the Committee of the Whole the same shall be laid aside with such recommendations as the committee may make.

3. H. R. 16586. "To amend section 20 of an act to regulate commerce, etc." The first reading of the bill shall be dispensed with and there shall be not exceeding 10 hours of general debate, to be divided equally between those who favor and those who oppose the bill, one half of such time to be controlled by the gentleman from Georgia [Mr. ADAMSON] and the other half by the gentleman from Minnesota [Mr. STEVENS]. At the conclusion of such general debate the bill shall be considered in the Committee of the Whole House on the state of the Union and shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be laid aside with such recommendations as the committee may make.

At the conclusion of the consideration of the three bills above specified in the Committee of the Whole the committee shall rise and report the same to the House in the order named, whereupon the previous question shall be considered as ordered upon each of said bills and amendments thereto separately as to each bill and in the order named to final passage without intervening motion, except one motion to recommit on each of said bills.

The order of business provided by this resolution shall be the continuing order of business of the House until concluded, except that it shall not interfere with Calendar Wednesday, nor with the consideration of H. R. 16508, the further urgent deficiency bill, nor with the consideration of conference reports on appropriation bills or the sending of appropriation bills to conference. All debate shall be confined to the subject matter then under consideration, and all Members speaking upon said bill shall have the right to revise and extend their remarks in the Record, and all Members shall have the right to print remarks on said bill during not exceeding five legislative days.

During the continuance of this order of business, except on Wednesdays, the House shall meet each day at 11 o'clock a. m. And while the general debate is in progress the House shall recess at not later than 5:30 p. m. until 8 o'clock p. m., when it shall reconvene and continue in session until not later than 11 o'clock p. m.

The SPEAKER. Before this debate begins, the Chair lays before the House the following personal requests.

The Clerk read as follows:

Mr. STEPHENS of Mississippi requests leave of absence indefinitely, on account of serious illness in his family.

Mr. ESTOPINAL requests leave of absence indefinitely, on account of illness.

The SPEAKER. Without objection, the requests will be granted.

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. I hope it will not embarrass the Speaker; and my request is as to whether, if this rule be adopted in the form it is, such matters as this can be presented to the House before all of these bills are finally voted upon? I notice the rule says it shall be a continuing order except—

Mr. HENRY. To what matters does the gentleman refer?

The SPEAKER. What is it the gentleman asks?

Mr. MANN. Well, leaves of absence and things of that sort, as to whether it will interfere with matters upon the Speaker's table?

The SPEAKER. Oh, no; it would not interfere with personal requests; it would interfere with all other business except things like that. Of course, the Chair would have to be governed by common sense.

Mr. HENRY. I would like to ask the gentleman from Kansas [Mr. CAMPBELL] how much time he would like for discussion of the rule.

Mr. CAMPBELL. Mr. Speaker, I think we can get on with a half an hour on this side if an agreement can be reached for that amount of time.

Mr. HENRY. That is entirely satisfactory to me.

Mr. CAMPBELL. I will state to the gentleman I have just had some additional requests, and if the gentleman will make it five more minutes that would be more acceptable.

Mr. HENRY. Well, say an hour and ten minutes.

Mr. CAMPBELL. Yes.

Mr. HENRY. I have no objection to making it 35 minutes on each side. Mr. Speaker, I ask unanimous consent that debate on this rule extend for 1 hour and 10 minutes, and at the end of that time the previous question shall be considered as ordered on the rule, the time to be equally divided between the two sides.

Mr. MANN. Reserving the right to object, I am quite willing the previous question shall be then submitted to the House, but it might develop that some one wanted to offer an amendment and the House might not want to order the previous question.

Mr. HENRY. Well, I do not believe anyone would want to offer an amendment to the rule, but, of course, I will move the

previous question at the end of that time, and that will be the understanding.

Mr. MANN. I am perfectly willing for the gentleman to have the right to move the previous question at the end of that time.

Mr. HENRY. If that is the agreement and understanding—

The SPEAKER. Now, what is the agreement? The Chair does not want to get it wrong.

Mr. HENRY. That the debate on the rule shall not exceed 1 hour and 10 minutes, 35 minutes of which time to be controlled by myself and 35 minutes by the gentleman from Kansas, and at the end of that time that I be recognized to move the previous question on the resolution.

The SPEAKER. Before the Chair puts that he wants to answer more fully the parliamentary inquiry of the gentleman from Illinois. The Chair thinks that during this lapse of time in which these bills are to be debated all such things as personal requests, sending bills to conference, taking bills from the Speaker's table with Senate amendments, and so forth, where it does not take too long, ought to be attended to—

Mr. MANN. I do not know how that would be determined.

The SPEAKER. The Speaker might determine it with the consent of the House.

Mr. HENRY. Is there anything in this resolution which forbids the Speaker when the committee rises each afternoon or night from submitting these personal requests?

The SPEAKER. The Chair thinks not.

Mr. MANN. There would be if anybody asked for the regular order.

Mr. GARNER. That would be equivalent to an objection, anyway.

The SPEAKER. Everybody in the House knows very frequently there are matters that do not take more than a minute or two to transact, but which are of a good deal of importance to some particular Member, but, of course, if the Chair believes something is going to take two or three hours, he will refuse to recognize them.

Mr. MACDONALD. Will the gentleman yield?

Mr. HENRY. Let us have this agreement.

The SPEAKER. The gentleman from Texas asks that debate on this rule be limited to 1 hour and 10 minutes, 35 minutes of that time to be controlled by the gentleman from Kansas and 35 minutes by himself. Is there objection? [After a pause.] The Chair hears none.

Mr. HENRY. And the understanding and agreement is, of course, that at the end of that time I move the previous question.

The SPEAKER. Well, the Chair will recognize the gentleman from Texas when this debate is over to move the previous question.

Mr. HENRY. I now yield to the gentleman from Michigan.

Mr. MACDONALD. The gentleman from Oregon [Mr. LAFFERTY], who is the Progressive member of the committee and to whom time is assigned, is not here, and probably will not be here during this debate.

Mr. HENRY. Mr. Speaker, let us presume Mr. LAFFERTY will return by the time the rule is adopted, and after we have adopted it if the gentleman does not return it will be time to take up the matter—

Mr. MACDONALD. I would like to make sure about that, as I understand debate will begin immediately on this matter.

Mr. MANN. Will the gentleman yield? The gentleman from Michigan referred to the gentleman from Oregon as the Progressive member of the committee. He has just been a candidate for Congress on the Republican ticket. How does the gentleman know he is now a Progressive?

Mr. MACDONALD. I will say to the gentleman from Illinois [Mr. MANN] I do not know if he is a Progressive now, but I do know that he was put on this committee to represent the Progressive Members of this House.

Mr. MANN. In the Directory he has always put himself in as a Republican and never as a Progressive.

Mr. GARNER. What was the result of this conglomeration in which he has recently been a candidate?

Mr. MANN. All I saw was in the daily press.

Mr. HENRY. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT], who will explain the provisions of this special rule.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] is recognized for 10 minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, the resolution which has been offered is very clear in its terms, and it seems to me explains itself. It provides an order of business which will be the continuing order until concluded, not to interfere with certain matters therein specifically mentioned. It pro-

vides that the trade commission bill shall be first considered in the Committee of the Whole House on the state of the Union, that there shall be not exceeding six hours of general debate, to be equally divided between those favoring and those opposing the bill, the time to be controlled one half by the gentleman from Georgia [Mr. ADAMSON] and the other half by the gentleman from Oregon [Mr. LAFFERTY], who was the minority member of the Committee on Interstate and Foreign Commerce making a minority report in opposition to the bill. At the conclusion of the general debate the bill will be read for amendment in the usual way under the five-minute rule and perfected in the Committee of the Whole House on the state of the Union, and will then be laid aside with such recommendations as the committee shall make concerning it.

Following that, the bill H. R. 15657, supplementing existing law against unlawful restraints and monopolies, will be taken up for consideration. On that there are 16 hours of general debate, to be equally divided between those favoring and those opposing, one half of the time to be controlled by the gentleman from Alabama [Mr. CLAYTON], the chairman of the committee, and the other half by the gentleman from Minnesota [Mr. VORSTADT], the ranking member on the Republican side. At the conclusion of that this bill also is to be read for amendment, with no limitation upon amendment, and after being perfected it will be laid aside with such recommendation as the committee may make.

Mr. GARNER and Mr. GARDNER rose.

The SPEAKER. To whom does the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. I will first yield to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. This bill is the Clayton antitrust bill, is it not?

Mr. GARRETT of Tennessee. It is.

Mr. GARDNER. And is at present on the House Calendar and not on the Union Calendar?

Mr. GARRETT of Tennessee. It is.

Mr. GARDNER. And if it were not for this proposed special rule any amendments which might be offered to that bill would be subject to a yeas-and-nays vote, would they not?

Mr. GARRETT of Tennessee. Probably.

Mr. GARDNER. Certainly. Would they not be considered in the House?

Mr. GARRETT of Tennessee. Under the general rules of the House; yes.

Mr. GARDNER. Under the general rules; yes. But by this special rule as drawn you have arranged it so that the amendments to that Clayton antitrust bill will not be voted on by a yeas-and-nays vote unless they are lumped together with other things in one single motion to recommit. Is that correct?

Mr. GARRETT of Tennessee. That is one effect of it.

Mr. GARNER. Provided, of course, the amendments are not adopted in the Committee of the Whole, but adopted by the House.

Mr. GARDNER. The gentleman said amendments that were adopted. Of course any amendment reported back to the House would be voted on in the House.

Mr. GARNER. What is the object of laying these bills aside when perfected and retaining them until they must be voted on at one time after general debate and perfection of each bill?

Mr. GARRETT of Tennessee. It is a part of the program to carry them through as rapidly as possible.

Mr. GARNER. Then why not send the bills to the Senate as fast as we can perfect them. For instance, when the first bill is disposed of why not send it to the Senate and thereby hasten final legislation on it and adjournment of the Congress?

Mr. GARRETT of Tennessee. The only answer that I can make to the gentleman from Texas touching that is that that question was submitted in committee, and after very full consideration it was determined by a majority of the committee that this plan would be better in expediting public business.

Mr. BARTLETT. May I ask the gentleman a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. BARTLETT. If the plan suggested by the gentleman from Texas [Mr. HENRY] is adopted, is it probable that we could get through and adjourn quicker if we do not permit the Senate to consider them until all three are considered? The object of this program, as I understand it, is to finish this program as quickly as possible and adjourn. Is it not a fact that if we take two days to pass this trade-commission bill and a week to pass the trust bill, and another week to pass the other bill, that it would then be two or three weeks or four weeks before the Senate could begin the consideration of any one of these bills?

Mr. MADDEN. Of course, if they wait two or three weeks before getting the bills they will expedite the matters a good deal more. Is not that it?

Mr. GARRETT of Tennessee. Of course it is a matter of judgment.

Mr. BARTLETT. Is not the gentleman's judgment that the other plan would expedite the consideration of these bills in the other body, where they must be considered before they become a law? I will ask the gentleman's judgment upon it.

Mr. STAFFORD. Mr. Speaker—

Mr. GARRETT of Tennessee. The gentleman's judgment—oh, well, perhaps my individual judgment is not important. I yield to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. So that the House may have a clear understanding of this provision of continuing in recess from 5:30 p. m. until 8 p. m., when the House is considering these bills under general debate, I would like to ask whether if general debate is not concluded at 5:30 and runs over after 8 o'clock, and is concluded at some time between 8 and 11 p. m., whether then the House of its own force will adjourn or take up the consideration under the five-minute rule until the hour of adjournment? For instance, you begin the consideration of the first bill at about 3 o'clock. There will be two or three hours of general debate this afternoon and two hours and a half this evening, and maybe more, but before 11 o'clock comes the general debate will have been concluded. What is the purpose then—to adjourn pro forma, or will we immediately proceed to the consideration under the five-minute rule?

Mr. GARRETT of Tennessee. I will say to the gentleman that I think that will rest with the Committee of the Whole. The only purpose that the Committee on Rules had in mind in connection with that was to insure a night session, in so far as it could, for general debate.

Mr. STAFFORD. Does the gentleman believe that we should give these weighty and important bills consideration under the five-minute rule in the evening session? I take it that the purpose of the committee was only to provide means in the evening sessions for general debate, and when the time for general debate expires in the evening the committee would rise until the following morning at 11 o'clock.

Mr. GARRETT of Tennessee. The rule says the committee shall sit not later than 11 p. m. On the question of whether or not they shall consider these weighty bills at the night session under the five-minute rule, it will depend on the feeling and wish of the House or the Committee of the Whole.

Mr. STAFFORD. What is the construction of the rule? It will bear one construction, namely, that only general debate will be considered at the evening session. The House ought to know, so that it will know what it is consenting to when it votes to consider these bills from 11 o'clock in the morning until 5:30 in the afternoon, and then from 8 o'clock in the evening until 11 o'clock at night. That would be a very exhaustive service.

Mr. GARRETT of Tennessee. So far as the rule is concerned it only provides for evening sessions during the general debate.

Mr. GARNER. It is very important that the gentleman's construction of this rule should be thoroughly understood, because the question might come up in the Committee of the Whole at the night session, if a point of order was made that you could not consider the amendments under the five-minute rule at that hour, because this is provided only for general debate. As I understand, the proceedings of the Committee of the Whole are to be confined to general debate at the night session. That is a matter that will come up in Committee of the Whole very likely if a point of order is made against it.

Mr. GARRETT of Tennessee. The only compulsory thing as to evening sessions is that if a quorum is present during general debate it shall sit until 11 o'clock at night. If there should not be a quorum present, of course the committee would have to rise. But it does not prevent the Committee of the Whole from considering the bills under the five-minute rule if it chooses to do so.

Mr. STAFFORD. At the evening session?

Mr. GARRETT of Tennessee. At the evening session.

Mr. GARNER. It is well that that should be understood.

Mr. MANN. If the general debate should be concluded in the afternoon on one of these bills, there would be no evening session that night? Is not the rule clear about that?

Mr. GARRETT of Tennessee. Undoubtedly. Of course, the House itself could fix the time. But so far as the rule is concerned, the rule itself would not compel an evening session except for purposes of general debate.

Mr. GARNER. That is the point; that is all right.

The SPEAKER pro tempore (Mr. Houston). The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I ask that the gentleman from Kansas [Mr. CAMPBELL] use some of his time.

The SPEAKER pro tempore. The gentleman from Kansas [Mr. CAMPBELL] is recognized.

Mr. CAMPBELL. Mr. Speaker, this rule is another evidence of the desperate political situation in which this administration and the Democratic Party now find themselves.

You are legislating now by special rule. This resolution makes in order under one rule three of the "five brothers." Of course, everybody knows that neither one of these bills will become a law during this session of Congress. That is the announced policy, well understood at both ends of the Capitol and quite as well understood at the other end of Pennsylvania Avenue. But for some reason it is insisted that all these bills shall be made in order in one rule and rushed through the House. Is some one trying to save his face or make pretense before the country that something of importance is being transacted? A few days ago you did not think your condition so desperate, and only made two separate bills in order in one rule.

But the manner in which you do business, while bad, is not as bad as the result of the business you do. You have been in power now 1 year 2 months and 15 days, and your record reads like an obituary.

You have paralyzed and prostrated industries of every kind; you have reduced wages and the employment of labor; you have made business and enterprise of every kind uncertain and hazardous; you have reduced the value of the industrial and transportation properties of the country over \$10,000,000,000; you have cut the value of farm property one-fourth. Men engaged in the productive enterprises of our own country stand idle while others engaged in similar enterprises in foreign countries are supplying our market. The farmers find the products of other countries in the market which they have supplied during the entire period of our country's history. It would be impossible to exaggerate the demoralized conditions into which you have thrown our domestic affairs.

Our condition at home is discouraging and depressing to laboring men and business men in every section of our country.

Mr. MADDEN. Mr. Speaker, will the gentleman yield to me for a question?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. CAMPBELL. I regret I can not yield now. Conditions at home are bad, but you have humiliated and made us ridiculous in the face of the world by your foreign policy—or, perhaps, I should say by your want of a foreign policy.

You are surrendering our right to control our own affairs in Panama to England and other nations that may claim any rights there. You are giving to Colombia greater rights in the use of the Panama Canal than you assert for the people of our own country, and giving that country \$25,000,000 as a gratuity, and besides making an abject apology for taking the steps that made the construction of the canal possible.

Overnight you plunged the country into a war with Victoriano Huerta, an unrecognized assassin in Mexico, on a matter of mere punctilio, because of the difference in the offer of a salute of 5 guns and the demand of a salute of 21.

Oh, of course, you as individuals are not less concerned about the common welfare than those who disagree with you in politics. You are not less patriotic than others. You are simply incompetent to manage the affairs of a Nation so great as ours.

Your policies, while attractive in theory, can not be made to work out in practice.

There has not been such a deplorable condition in our country since you were in full power 16 years ago.

You may adopt this rule, make these three bills in order, and pass them through the House, and it is safe to say that they will aggravate rather than relieve the conditions in which your other acts have placed us.

There is not as much big business to assail as there was when you began. If you keep on there will be none to complain of.

Then, too, this rule also enables you further to repudiate the Baltimore platform. It enables you to surrender State government of local industries to Federal control. There is now nothing in the political world so obsolete as the Baltimore platform. It promised to speed business; you have retarded it. It promised to increase employment and wages; you have diminished both. It promised to increase exports; you have reduced them. It promised to increase revenues; you have reduced a surplus to a deficit. It promised to make living better and cheaper; you have done neither.

No doubt these are some of the reasons why you are rejecting and repudiating your platform.

But the lamentable and discouraging situation that confronts the country to-day is the fact that there yet remains two years nine months and fifteen days before the people can rid them-

selves of the latest exhibition of Democratic incompetency in the management of our Government. It seems a long time.

However, the people will give you the customary two years' notice to move on the third day of November next, by electing a Republican House of Representatives. [Applause on the Republican side.]

The trouble is your policies are wrong, and incidentally you just do not know how to run the country. [Applause on the Republican side.] Nobody knows better than you do that what I am saying is true. Why, the manner in which you are attempting to shape up your affairs to present to your constituents when you go home would be amusing if it was not so pathetic. You can not explain it to them. You gentlemen who assailed President Taft for surrendering to Canada in the reciprocity treaty will have some difficulty in explaining to your former constituents when you go home why it was that you surrendered to Canada everything that was given by reciprocity and more and got nothing in return. It is now stated by shrewd Canadian statesmen that they engineered the repudiation of Canadian reciprocity for the sole purpose of getting a better deal out of you when you came into power. They got it, and that is but another evidence of your incapacity and incompetency to manage the affairs of the Nation. [Applause on the Republican side.]

Mr. Speaker, how much time have I consumed?

The SPEAKER pro tempore. The gentleman has consumed 17 minutes.

Mr. CAMPBELL. I reserve the remainder of my time.

Mr. HENRY. Mr. Speaker, I will ask the gentleman to consume the balance of his time, as there will be only one more speech on this side.

Mr. CAMPBELL. Then I yield 10 minutes to the gentleman from New York [Mr. PAYNE]. [Applause on the Republican side.]

Mr. PAYNE. Mr. Speaker, I beg the pardon of the House for reading a short extract from a publication issued a couple of years ago, which a large number of those who voted for it seem to be ignoring entirely, and it looks as though the whole party would like to see the thing sent to the everlasting "demition bow-wows." Of course, everybody recognizes that I am speaking of the Baltimore platform—molasses to catch flies. When you were patting yourselves upon the back as to what you had done in the last Congress you said:

It—

Referring to the House—

has, among other achievements, revised the rules of the House of Representatives so as to give the Representatives of the American people freedom of speech and of action in advocating, proposing, and perfecting remedial justice.

You have forgotten all about that.

Mr. SLOAN. No; but they would like to.

Mr. PAYNE. You have been bringing in rule after rule here for the purpose of curtailing the freedom of action of the House and of the Members of the House, and cutting down debate. You have transferred your deliberations to the caucus room and the committee-room building, and to the executive chamber, and you have no freedom of action in the House. Whenever you want to bring up a measure that you deem important, you call a caucus and get the gentlemen together upon the subject, if possible, and when you get in there you tell them a certain gentleman at the other end of the Avenue wants this and does not want that, and that seems to go with the caucus. [Applause on the Republican side.]

Why, the last bill you had here of a general character was a bill having more importance in the future and for years to come perhaps than any other bill you will consider. That was the bill to repeal the tolls exemption; and not merely that, but to give up to foreign nations our control of a property that cost \$100,000,000, a property that will have more influence on the future commerce of the world than any other great property ever owned by any nation. And when you came in with a rule for the consideration of that bill, it provided that there should not be any amendment to the immortal Sims bill; and the gentleman from Georgia [Mr. ADAMSON] said, "Why, it is so good a bill, so well drawn, that it can not be amended." So we were left without any privilege of amending that bill here in the House. It has gone over to another place where they do deliberate; and in these latter days I thank God that there is a legislative body in the United States that does deliberate and consider, and they propose to amend that bill to try to save the cowardly surrender of this canal to foreign powers by your administration and by yourselves. [Applause on the Republican side.]

The other day the gentleman from Alabama [Mr. UNDERWOOD]—I am sorry to say I do not see him in his seat—on

the 14th of this month used this significant language in debate on this floor:

The people of the United States are not clamoring so much for legislation to-day as they are for an opportunity to do business. (CONGRESSIONAL RECORD of May 14, p. 9345.)

The people of the United States have had enough of your kind of legislation. I am glad the gentleman from Alabama realizes it. Why, I have been advising some of you gentlemen individually what you had better do for the good of the Democratic Party, and especially for the good of the country—that is, to pass the appropriation bills and adjourn, and go home without doing any further injury—and I find that the most of you agree with me personally; and I have understood from the newspapers that the members of these committees who have reported these bills would not have brought them in here to-day and asked for a vote on them except for the orders that came from the other end of the Avenue. According to the telegrams in the papers of last Saturday, our optimistic President seems to have caught the fever from the Secretary of Commerce, as published in the Associated Press reports, that we were on the eve of the greatest revival of business the world has ever seen. We have been on that eve now ever since the 3d day of October. Our worthy Speaker prophesied it due in December. The Secretary of State, a little more careful, said he saw the rainbow of promise of prosperity in the sky along in January. Latterly you have fallen back upon the prediction of the Secretary of Agriculture, that we are going to have a bumper crop in this country that will make everybody rich and happy, and that, too, before half the crop is sown in the United States. [Laughter.] Half of the area in the United States to-day is not planted because of the prevailing rain and moisture. But you are going to have a magnificent crop.

Now, you are young in these matters. If you stop to think, when you have bumper crops prices are lower and the farmers do not have any more money to spend. That is not going to help you out.

You were going to increase the foreign trade under the Underwood tariff bill, because you said you can not hope to sell unless we buy. I had something to do with the tariff bill that has been berated for four years, up to the time my friend Underwood came along with his bill, amended from the White House. Since then it has been different; my bill has become popular. Under it we made the greatest progress in the markets of the world ever made by any people. [Applause on the Republican side.] It is so marvelous that the Secretary of Commerce can not help talking about it.

I am anxious for you to do better. I want you to improve on what you have done. The very best you can do is to adjourn. You have done enough already. God knows, to throw you into oblivion the first time that the people can get at you; but I want to save what little you have left for the people of the United States.

What kind of a record have you made in the markets of the world? I have the statistics here, the last one for April from the Secretary of Commerce, who gives out the statistics for publication month by month, and what is the record? Why, ever since you put that bill on the statute books eight months ago your exports have been decreasing month by month in geometrical ratio.

The balance of trade was against us under the Walker tariff and the tariffs that followed. It was against us under the first Wilson bill, while under all Republican tariffs it has been in our favor. It was so during every month of the law of 1909. The annual exports exceeded the imports by hundreds of millions. We were getting European gold to settle the balance. But never was there such a tremendous export of manufactured articles from any country as from ours under the last Republican tariff.

Your bill has been in operation since October 3, 1913. Here are the figures showing the balance of trade for the seven full months up to the 1st of May, as compared with the corresponding months of the previous year.

Monthly excess of exports.

	Fiscal year 1913 (Payne law).	Fiscal year 1914 (Under- wood law).
October.....	\$76,645,000	\$138,976,000
November.....	127,000,000	97,000,000
December.....	96,000,000	49,000,000
January.....	64,000,000	50,000,000
February.....	44,000,000	26,000,000
March.....	32,000,000	5,000,000
April.....	53,600,000	110,271,572

¹ Excess of imports

Your tariff was not in full operation in October and the balance of trade was \$139,000,000. This dwindled to \$5,000,000 in March, and was wiped out in April, with a balance of over \$10,000,000 against us.

You ought, in view of your record, to let up on the American people and give them a rest. Do not put the antitrust laws into litigation for another 10 years. Enforce them as they are.

Mr. CAMPBELL. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Chairman, when we were in power, many a time have I heard the Democratic side of the House criticize us for our special rules. We never did anything so improper as that which the Democratic members of the Rules Committee propose. They have taken this Clayton antitrust bill from its place on the House Calendar, where there would be a ye-and-nay vote on each one of the labor amendments, and they propose to tuck it away in the Committee of the Whole House, where there can not be a record vote. Instead of being exposed to the cold, cold hillside of a ye-and-nay vote, Members are to be cloistered in the careful seclusion of the Committee of the Whole House on the state of the Union, where the exasperating record vote is unknown.

Now, Mr. Speaker, it is not as if the Clayton antitrust bill were really a Union Calendar bill. It is not a Union Calendar bill. It is a House Calendar bill. It is now on the House Calendar, and that means that Members could demand a ye-and-nay vote on every amendment if it were not for the reprehensible way in which this proposed special rule is drawn.

To be sure, the Covington and the Rayburn bills are properly on the Union Calendar, but this Clayton antitrust bill has been deliberately taken from its position, where it would be subject to a ye-and-nay vote, and has been tucked away into Committee of the Whole, where no record vote can be had on these amendments or on any others.

Now, Mr. Speaker, I am not going to conceal my position. I propose to vote against the amendment which declares that antitrust laws shall not apply to labor unions and to certain other organizations, and I intend to vote in favor of the other amendment proposed by labor. I mean to vote for the amendment which proposes to make lawful certain actions against which the issuance of injunctions is forbidden by this bill. If the House votes down the previous question on this rule, I shall propose an amendment providing that the Clayton antitrust bill shall be considered in the House as in Committee of the Whole. Then we shall have ye-and-nay votes whenever necessary.

Mr. GARRETT of Tennessee. Will the gentleman yield? The gentleman from Massachusetts does not have any doubt but that there will be a record vote on that proposition?

Mr. GARDNER. I have very great doubt on the subject: whether the amendments are adopted or rejected. There is only one motion to recommit provided, and on that motion the Speaker must accord recognition to some gentleman who says that he is opposed to the bill. The gentleman who is opposed to the bill may move to recommit with a very different proposition than either one of these labor amendments.

Now, a motion to recommit can comprise both of these amendments, or it may comprise half a dozen other things; but there can be only one motion to recommit. The chances are that, under the rules, recognition will be accorded to somebody who will make a motion to recommit, which will not comprise either of these labor propositions. If that proves to be the case there will be no ye-and-nay vote on either of them, whether they are adopted or rejected in Committee of the Whole.

Mr. Speaker, I yield back the balance of my time.

Mr. CAMPBELL. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore. The gentleman has five minutes. Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from Illinois, Mr. Mann. [Applause on the Republican side.]

Mr. MANN. Mr. Speaker, I have two especial criticisms to make of this rule. There are others. First, we are passing a rule in order to consider these bills speedily, so that they may be sent over to the Senate at an early date. Then, why do we not vote on each bill in the House and pass it as we finish it in Committee of the Whole? Can anybody tell me that? We take up the interstate trades commission bill, finish it in the Committee of the Whole, and lay it aside. Why do we not pass it then, or vote on it in the House? We take up the Clayton antitrust bill, consider it in Committee of the Whole, and lay it aside. Why do we not vote on it then, if we want to hasten action in the Senate, and send it over to the Senate? But under this rule we wait until we are through with all the bills before we vote upon

any of them in the House. Can any distinguished Democrat tell me why? I will be very glad to have the gentleman from Texas [Mr. HENRY] tell why, when we are in a hurry to pass the bills, we delay final action upon them. It would not take any longer to pass these bills in the House at the time we have considered and reported each to the House than it will when they are all reported back in a bunch, because it will take a separate roll call, if one is asked, on each bill, and there may be a motion to recommit on each bill. It is one of those curiosities of legislative performance which emanates from some unknown source. I suppose they had the orders from the White House. They dare not pass these bills one ahead of the other. In the end one must be voted upon in the House ahead of the other, but if we are in a hurry, when we get through with the interstate trade commission bill in the committee, why not report that bill back to the House and dispose of it at once?

Mr. LEVY. Mr. Speaker, will my colleague allow me to—

Mr. MANN. No; I do not believe the gentleman represents his side of the House, or I should. I have not the time anyway. There is no one else on the gentleman's side of the House who is in accord with the gentleman from New York.

Mr. LEVY. The people are. [Laughter.]

Mr. MANN. The people are in accord with the gentleman from New York on one thing, and that is that the people believe, like he, that the Democrats are not capable of running the Government.

Mr. LEVY. Oh, no; I am a Democrat.

Mr. MANN. I do not yield further. I have one other criticism, Mr. Speaker, and that is the same one made by the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. MANN. I have not the time.

Mr. GARDNER. I meant to say that we had talked this over beforehand.

Mr. MANN. Oh, that is unnecessary. The gentleman from Massachusetts is watching everything in respect to the rules and legislation and parliamentary law as closely as any man who ever came into the House.

Mr. Speaker, there are two classes of public bills in this House, one that goes to the Union Calendar and one that goes to the House Calendar. Union Calendar bills are perfected in Committee of the Whole House on the state of the Union, where amendments are offered in committee and no roll call can be had upon them. House Calendar bills are perfected in the House, sitting as the House. Where an amendment is offered to a House Calendar bill, a roll call can be had upon it. The Clayton antitrust bill is a House Calendar bill. In this bill, as reported from the committee, there is a committee substitute, or one amendment for all of the provisions of the bill, and when the bill is reported back to the House it will be as a committee substitute, which is one amendment. There can be no separate vote when this bill is reported back to the House on any amendment which is offered to amend the committee amendment. It will be reported back as one amendment. The bill contains this provision:

That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations—

And so forth.

Some gentlemen desire to change that to provide that nothing contained in the antitrust laws shall apply to these organizations.

If that amendment was acted upon under the ordinary rules of the House on a House bill, gentlemen for or against the amendment could have a roll call on the amendment, but under this peculiar rule, the first of the kind that has ever been brought into the House in the history of the House, to consider a House Calendar bill in Committee of the Whole House, you can offer 40 amendments, vote them up or down, and there will be no chance for a roll call upon any one of them, and there is no opportunity for a roll call upon this proposition or any similar proposition. You on the Democratic side of the House will escape being placed personally on record on each of these amendments, but the country and the people who are interested will hold you responsible, because you have violated the rules of the House, because you are afraid personally to record yourselves on this amendment. [Applause on the Republican side.] And it is pure cowardice of which you are guilty. You have changed the rules which authorize a record vote in order to escape a record vote. There is one thing I thank myself for. I think I am not a coward. [Applause on Republican side.]

Mr. HENRY. Mr. Speaker, I believe I have 25 minutes remaining?

The SPEAKER pro tempore. Yes.

Mr. ADAMSON. Mr. Speaker, before the gentleman begins his argument, I will ask him to yield to me for a moment.

Mr. HENRY. Very well.

Mr. ADAMSON. Mr. Speaker, the gentleman from Oregon [Mr. LAFFERTY] mentioned in the rule as entitled to control the time on the other side is absent. I consulted gentlemen on the other side, both members of the Progressive Party and members of the Republican Party, and I find that they can agree over there, and they are all willing to trust the gentleman from Minnesota [Mr. STEVENS]. I ask the gentleman from Texas to obtain unanimous consent to substitute the gentleman from Minnesota [Mr. STEVENS] for the gentleman from Oregon [Mr. LAFFERTY].

Mr. HENRY. There will be no objection to that later on. I hope this will not be taken out of my time.

Mr. MANN. Oh, no; Mr. Speaker, there seems to have been a misunderstanding on this side. It was understood by the gentleman from Kansas [Mr. MURDOCK] that he was to have five minutes. In some way, through a misunderstanding, his colleague is not able to yield it to him. I ask unanimous consent that the gentleman from Kansas may have five minutes.

Mr. HENRY. Mr. Speaker, I will yield the gentleman five minutes myself.

Mr. MANN. We all thank the gentleman for his courtesy.

Mr. MURDOCK. Mr. Speaker, I particularly thank the gentleman from Texas.

The SPEAKER pro tempore. The gentleman from Kansas is recognized for five minutes.

Mr. MURDOCK. Mr. Speaker, I do not believe there is a man here who will ever face on domestic legislation a graver moment than this. This is the beginning of another attempt on the part of the Government to handle the trust proposition.

The matter should have come in early in the session; it has come in at the end of the session, and, as was to be expected in a matter of this kind, another special rule has been invoked. The rule is carefully guarded. So far as the provision for general debate is concerned I think it is liberal, but great care is taken to give only one motion to recommit on each of the bills and no opportunity is afforded the membership of the House to have any separate vote upon the amendments in the bill itself. Now there are three political parties in the House, and those three parties have distinct programs. The Democrats have come forward with the administration measures. The Republicans, as usual, are not in accord in their views. The Republican members of the committee disagree in their reports.

The Progressives do have a constructive plan for trust legislation drawn with great care and put forward with great enthusiasm and sincerity. Under this special rule one or the other of the two minority parties is going to be shut out from the right to offer a motion to recommit. That is not right. There ought to be in this rule a provision for two motions to recommit, and the House ought have the right to vote upon separate amendments. Now, I said in the beginning this is a grave moment in the Congress. Twenty-two years ago I was a reporter in Chicago, and my paper sent me down to Ohio to report the first great suit that was brought against the Standard Oil Trust, and a high court solemnly and by final decree at that time dissolved the Standard Oil Trust, and I remember distinctly writing the heading upon my newspaper article 22 years ago to the effect that the Standard Oil Co. had been dissolved. What a record of delay, denial of popular demand, and legal helplessness has transpired since. Futility in the highest court of the land ruling one way in the Knight case and another way in the Northern Securities case. Futility in the Congress of the United States. In the Fiftyth Congress the Committee on the Judiciary in this body reported that there was one further amendment necessary to the Sherman antitrust law to cover the interpretation of the Supreme Court of the United States in the Knight case, a correction that the Supreme Court has since made itself. Futility in the administrative bodies of this Government. Inaction upon the part of prosecutors of the Government, and now, after 24 years, almost a quarter of a century of confessed helplessness on the part of this great Government, we are about to take another step. I am sorry that it is a random step and will be, in my opinion, a futile step. I am sorry that the Covington bill is weak, purely investigative in its powers, born a cripple. I am sorry the Clayton bill persists in the attempt to make this country travel again the old, profitless circle which follows writing rigid inhibition against big business, honest and otherwise, into law and leaving it to the long-lingering delay which waits upon the interpretations of the courts. I think this is a time when we ought to pause and give ear to the significant events of the hour. What fantastic films the morning newspapers reveal before the eyes of the country. Rockefeller, over at Tarrytown, N. Y., installing

a system of electric lights that he may keep, by touching a button at his bedside, his eight guards who surround the house awake through the hours of the night. The testimony in Denver yesterday, where witnesses stated before the board of inquiry that in Troop A, which looted the tents of the striking miners at Ludlow after they had shot the miners down and killed 11 women and children, there were only 8 members who were not either mine guards or mine employees. Constitutional government in Colorado has broken down. The man who has been the beneficiary of our delay, of our careless, futile, trust legislation, passed at random—

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MURDOCK. Sits in his palace upon the Hudson, insecure, fearful that the law will not protect him, and the men out in Colorado who are his victims know that it does not protect them.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, the ceremony seems to be a solemn occasion for gentlemen on that side of the House. I was surprised at the remarks of the gentleman from Kansas [Mr. CAMPBELL]. He ranged all over the legislative domain and really discussed nothing in particular. The gentleman asked why we vote on these bills at the same time. Let me tell the House why we are doing it. There are two good and sufficient reasons why we have pursued that course. In the first place, if we vote upon them at three separate times, the Members would have to be here and be on notice that there were three separate votes. As it is, when we have completed a bill, we lay it aside with whatever recommendation the committee makes, and then we take up the next bill and pursue the same course, and then the remaining bill, and at the end of that time vote on all the bills in accordance with the order in which they are enumerated in the special rule. Is there anything queer or anything wrong about a rule of that sort? The objection made by the gentleman from Illinois [Mr. MANN] is an absurdity on that point. Now, another good reason that appealed to some of us was this: We did not care to have one of these bills passed ahead of the others and sent over to the Senate while the antitrust bill was delayed here and perhaps a lot of provisions be incorporated in the trade-commission bill by the Senate, looking to the creation of a commission to investigate interlocking directorates, holding companies, dummy directorates, and things of that sort, so as to postpone the whole antitrust program. We intend to face the questions as they are presented here and to vote upon all of them. Why, the gentleman from Kansas [Mr. CAMPBELL] says we are hurrying these bills through. He must understand that his remark is not justifiable. We have allowed all the time asked on either side of this House for general debate, and then after the general debate is exhausted we take the bills up separately under the five-minute rule and allow unlimited debate and amendment. Gentlemen may proceed, if it takes a week or two weeks, to finish either one of the bills under the five-minute rule.

So this is one of the most liberal rules that has ever been brought into this House.

Next, the gentleman from New York, the Nestor of the House, the distinguished gentleman, Mr. PAYNE, offers a little free advice to the Democratic Party. Let me remind him and his side of the House that he is a very poor adviser, indeed, because he advised his party to vote for the Payne-Aldrich bill, and the Republican Party went upon the rocks in less than six months after its passage. [Applause on the Democratic side.] We do not need his advice, nor do we care for it. And it was, indeed, a pitiable sight to see the gentleman drag before this House and the world the corpse of the old Payne-Aldrich bill that would have been forgotten long ago if it had not been for the oppression and suffering heaped upon the people by the provisions of that infamous measure. [Applause on the Democratic side.]

The gentleman from Massachusetts [Mr. GARDNER] says, too, that we have taken a bill from the House Calendar and put it upon the Union Calendar, and that we have done it in order to prevent a record vote on certain amendments. Let me warn the gentleman that until he becomes more friendly to the labor organizations of this country we can not profit by any advice from him. Now, Mr. Speaker, let me serve notice on him that when the antitrust bill bearing the name of the distinguished gentleman from Alabama [Mr. CLAYTON] is up for consideration under the five-minute rule it will be in order to offer amendments without limit and to freely debate them. And let me further advise him that there will be an amendment in plain and clear-cut English language exempting directly and speci-

cally labor organizations and farmers' organizations from the provisions of the antitrust law. We have the votes to put it on in the Committee of the Whole and in the House of Representatives as well. So he need not be alarmed. I am squarely for this Samuel Gompers amendment.

He need not be distressed about this matter. Every Member's vote will be understood in the Committee of the Whole and in the House after the bill is reported there, and he will find that there will be no friend of labor lagging on this side of the House, and we will again write into the law, as we have done several times heretofore, a provision exempting those organizations from the provisions of the antitrust law, as intended when it was passed in 1890.

Mr. GARDNER. Will the gentleman yield now?

Mr. HENRY. For a question.

Mr. GARDNER. At what point will there be a ye-and-nay vote on that "apply to" amendment, whether it is adopted or defeated?

Mr. HENRY. Of course there will be a vote in the House on the motion to recommit. The gentleman knows that.

Mr. GARDNER. But suppose some gentleman claims the floor and says he is opposed to the bill. The right to recommit rests with him. Suppose he does not include that amendment in his motion to recommit?

Mr. HENRY. You need not be uneasy. We are not going to let that happen.

Mr. GARDNER. You can not help it.

Mr. HENRY. We can help it and we will help it. We are going to put it on in the committee.

Mr. GARDNER. I shall vote against the "apply to" amendment in the committee, as I have already said. You can not get a ye-and-nay vote on it in the House, because it is an amendment to the amendment.

Mr. HENRY. The gentleman knows we can find a plain way to get it on.

Mr. GARDNER. You can not if you adopt it in the committee.

Mr. HENRY. If you are so solicitous about this, you ought to get on the side of these gentlemen and help them put the amendment on. You need not presuppose the Democrats are cowards on this question. And I do not suppose the Members on that side are cowards, because I expect most of you to vote against labor, as you have done heretofore. For more than 20 years the labor organizations of this country stood before the door of this House and before the Speaker's room and urged the passage of such legislation as contained in the Clayton antitrust measure. You and your party spurned their request. You denied them the right to be heard on the floor of this House. But no sooner had the Democracy gone into power in the House of Representatives than we passed those bills which had been suppressed by the distinguished former Speaker, Mr. Cannon, and his official régime that advised and cooperated with him on these matters. They are in this bill, and they are going to remain there, and we are going to vote for them, and intend to give to the labor organizations and the people of this country the laws they have been clamoring for during nearly a quarter of a century. And the program is going through the Senate, and the bills will go to the President, and the Executive that the Democratic voters of this country put in power will give relief to the people. The gentleman from Kansas [Mr. CAMPBELL] may question the sincerity of the President by innuendo and make unjust charges against him, yet I tell him that the American people believe in Woodrow Wilson and know that he is honest and on their side. [Loud applause.]

Mr. MADDEN. Will the gentleman yield?

Mr. HENRY. I yield for a question.

Mr. MADDEN. The gentleman says the program will go through the House, and he seems to be able to speak for the Senate, and now I want to ask him if the President will sign this antitrust bill with that provision for labor in as he describes?

Mr. HENRY. The gentleman knows I have no brief to speak for the President. I am nobody's spokesman here. I am speaking for myself on this occasion, and saying what I believe; and I repeat that all three of these measures will be given to the country which your party deliberately suppressed for many years. We ask the country to test our good faith, and they will find that the Democratic Party has not forsaken them. Ah, gentlemen may prate about these things, but they know that the measures are for the relief of the people, and if they need amendment, come along and help us amend them, aid in making them better. Let me warn you now that if the Republican Party, the stand-pat party, goes back to its idols, the special-privilege class of this country, there will not be enough of you

left after the next election to justify calling the roll in the House.

Mr. MANN. Will the gentleman yield for a question?

Mr. HENRY. Yes.

Mr. MANN. The gentleman says that the bill needs amendment. Does the gentleman think the Clayton antitrust bill does need amendment on the matter that relates to the exemption of labor and farmers' organizations?

Mr. HENRY. Yes; I do. I think it needs amendment, and I shall vote and do everything I can to amend it.

Mr. MANN. Then all the gentlemen on that side are not in accord with the gentleman?

Mr. HENRY. I do not know, but we will take care of it. The gentleman from Illinois need not worry. How does he stand on the question?

Mr. MANN. I am not worrying.

Mr. HENRY. Where do you stand?

Mr. MANN. I am in favor of having a roll call on it.

Mr. HENRY. Are you for this amendment?

Mr. MANN. And when you have a roll call, I will vote. I am not afraid to have a roll call.

Mr. HENRY. How will the gentleman vote in the Committee of the Whole?

Mr. MANN. I do not know whether it will come up in the Committee of the Whole.

Mr. HENRY. How do you stand now?

Mr. MANN. How I stand now will depend very largely upon whether I can make more mischief on your side of the House by voting one way or the other. You are all split up the back, and whatever is done we will do.

Mr. HENRY. And you will not tell where you stand?

Mr. MANN. I will not, until the time comes.

Mr. HENRY. You talk about your courage and bravery, and yet you will not say where you stand on this amendment. [Applause on the Democratic side.]

Mr. MANN. I am quite willing to tell where I stand when it counts. I do not propose to tell the gentleman in advance, because we shall determine on this side of the House what is done with that amendment. You are divided on that side. [Applause on the Republican side.]

Mr. HENRY. No; I will tell the gentleman this—

Mr. MANN. And you are afraid over there to go on record.

Mr. HENRY. You are afraid to tell the people before the election where you stand on this question. The gentleman says he loves to make all "the mischief" he can for the Democratic Party.

Mr. MANN. No; I did not; but I will tell the gentleman that I will do it on this occasion.

Mr. HENRY. Now, let me give the gentleman a little friendly advice, because he and I come into the House together in 1896. Let the gentleman from Illinois quit trying to cause "mischief" to the Democratic Party. Let the gentleman vote for the interests of the people, and stand for the people's cause, and then the gentleman will be better off. [Applause on the Democratic side.]

Now, I like the gentleman from Illinois and dislike to be put to the painful necessity of giving him this advice; and yet I was never more sure of doing him a good service than I am now in asking him to accept my advice. [Laughter and applause.]

Mr. MANN. I shall be sure to be returned if I do not take the advice of the gentleman from Texas. [Laughter.]

Mr. HENRY. If the gentleman had taken my advice since 1897 and followed it, perhaps his party would now be in power, and not the Democratic Party. But we drove you from pillar to post, because you insisted on serving the privileged classes of this country, and your party went down, and it will remain beneath the waves until you get on the people's side. [Applause on the Democratic side.]

Mr. MANN. Until the next election. Then we shall be on top. [Applause on the Republican side.]

Mr. HENRY. That is the trouble with these gentlemen, who say they want to have a show and an opportunity to vote on this amendment in the House. The gentleman will have a chance to vote on it in the Committee of the Whole. He will have a chance to vote on all of these measures, and he will have a chance to improve them, if they ought to be improved. That is not the trouble with the gentleman from Illinois. The trouble with him is that these bills are good, and he does not want them passed at all, and if he had his way he would defeat every one of them. But Democrats will take the responsibility. Democrats in this House are not afraid to face the American people and tell them where we stand on all of these bills. We have come into power promising these things, and we are going

to keep our pledges made to the people. [Applause on the Democratic side.]

Mr. Speaker, this is an important occasion. To-day we are taking up for consideration the most significant political problems pending before this country. These three bills contain some things that will bring greater relief to the people of this country than any measure that has been considered since I have been a Member of this body. It means that hereafter we shall not negotiate with big business violating the law, but will set the limits on big business and tell them how far they shall go. We will pass statutes requiring them to salute the law. We are going forward. We are going to pass the bills, and they will pass the Senate before this summer has passed, and the President will put his approval on them. We will bring prosperity to this country. We shall do the things that ought to have been done 25 years ago, and would have been done if the old stand-pat Republican Party had not prevented it. [Applause on the Democratic side.]

Now, let me admonish my good friend from Kansas [Mr. MURDOCK] to come along with us and quit playing politics, and help us amend these bills and pass them and give them to the voters of this country.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield right there?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. HENRY. Yes; I yield.

Mr. MURDOCK. Of course I will not say the gentleman is playing politics, but I want to ask him a question that is not political.

If the gentleman is not playing politics, why did not the gentleman from Texas, as chairman of the Committee on Rules, give the Progressives here a chance, with their constructive anti-trust program, to amend this bill? Why did you cut us out?

Mr. HENRY. You have a chance to amend this bill everywhere.

Mr. MURDOCK. The gentleman has described the state of the Republicans on this side, and he has properly described them. They want to keep the old Sherman antitrust law as it is without supplementary legislation, and some of the Republican members on the committee say so.

Mr. MANN. Let the gentleman speak for himself.

Mr. MURDOCK. We have a constructive program.

Mr. HENRY. Mr. Speaker, I can not yield further.

Mr. MURDOCK. The gentleman has given this Republican crowd a chance to offer a motion to recommit and has shut us out.

The SPEAKER. Does the gentleman yield?

Mr. MURDOCK. He has already yielded.

Mr. HENRY. I decline to yield further.

The SPEAKER. The gentleman declines to yield.

Mr. MURDOCK. He can not cut me out in the middle of a sentence after he has yielded.

Mr. HENRY. If the gentleman has diagnosed the old stand-pat Republican Party aright, then I say to him come with us and help us put these amendments on.

Mr. MURDOCK. Oh, Mr. Speaker—

Mr. HENRY. The gentleman should sit down. He is taking too much time. I say, let him help us put these amendments on, and we will give the country relief.

And, in conclusion, Mr. Speaker, I move the previous question.

Mr. MADDEN. Why did you not write the bill on the square, so that it would not need any amendment?

The SPEAKER. The gentleman from Texas [Mr. HENRY] moves the previous question. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the yeas seemed to have it.

Mr. MANN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The yeas and nays are demanded. Those in favor of taking this vote by yeas and nays will rise and stand until they are counted. [After counting.] Forty-seven gentlemen have arisen in the affirmative. The noes will rise and stand until they are counted. [After counting.] Thirty-five gentlemen have arisen in the negative. Forty-seven are a sufficient number, and the yeas and nays are ordered. The Clerk will call the roll. Those in favor of ordering the previous question will answer "yea" when their names are called; those opposed will answer "nay."

The question was taken; and there were—yeas 192, nays 87, answered "present" 5, not voting 150, as follows:

YEAS—192.

Abercrombie	Aswell	Bathrick	Borchers
Adair	Baker	Beakes	Borland
Adamson	Baltz	Beall, Tex.	Bowdie
Alexander	Barkeley	Blackmon	Brocksion
Allen	Barnhart	Booher	Brown, N. Y.

Brown, W. Va.
Brumbaugh
Buchanan, Tex.
Bulkeley
Burgess
Burke, Wis.
Burnett
Byrnes, S. C.
Byrnes, Tenn.
Candler, Miss.
Cantor
Carroll
Caraway
Carow
Carlin
Carter
Church
Clancy
Claypool
Cline
Coady
Collier
Connelly, Kans.
Conry
Covington
Cox
Crosser
Cullip
Davenport
Decker
Dent
Dickinson
Dixon
Donovan
Doolittle
Doremus
Doughton
Dupré
Eagan
Eagle
Edwards
Evans
Fergusson

Anderson
Bartholdt
Barton
Bell, Cal.
Britten
Bryan
Calder
Campbell
Cary
Chandler, N. Y.
Cooper
Cramton
Curry
Danforth
Davis
Dillon
Dunn
Dyer
Esch
Falconer
Fess
Fordney

Bartlett
Browning

Aiken
Alney
Ansberry
Anthony
Ashbrook
Austin
Avis
Bailey
Barchfeld
Bell, Ga.
Brodbeck
Broussard
Buckner
Buchanan, Ill.
Burke, Pa.
Butler
Callaway
Carr
Casey
Clark, Fla.
Clayton
Connolly, Iowa
Conley
Crisp
Dale
Detrick
Dershem
Difenderfer
Donohoe
Dooling
Driscoll
Drucker
Edmonds
Elder
Estopinal
Fairchild

Ferris
FitzHenry
Flood, Va.
Floyd, Ark.
Foster
Fowler
Gallagher
Gallivan
Garner
Garrett, Tenn.
Garrett, Tex.
Gerry
Gilmore
Goeke
Goodwin, Ark.
Gordon
Gorman
Graham, Ill.
Gray
Gregg
Hamlin
Hammond
Hardy
Harris
Harrison
Hart
Hay
Hayden
Helm
Hempert
Henry
Hensley
Hill
Hobson
Holland
Houston
Howard
Hull
Igoe
Jacoway
Johnson, Ky.
Kettner
Key, Ohio

Frear
French
Gardner
Graham, Pa.
Green, Iowa
Greene, Mass.
Hamilton, Mich.
Hamilton, N. Y.
Haugen
Hawley
Helgesen
Hinds
Hinebaugh
Howell
Humphrey, Wash.
Johnson, Utah
Johnson, Wash.
Kelley, Mich.
Kennedy, Iowa.
Kennedy, R. I.
Kinkaid, Nebr.
Knowland, J. R.

Burke, S. Dak.

NOT VOTING—150.

Faison
Farr
Fields
Finley
Fitzgerald
Francis
Gard
George
Gillett
Gittins
Glass
Godwin, N. C.
Goldfogle
Good
Goulden
Greene, Vt.
Griest
Griffin
Gudger
Hamill
Hardwick
Hayes
Hedlin
Hoxworth
Hughes, Ga.
Hughes, W. Va.
Hulings
Humphreys, Miss.
Johnson, S. C.
Jones
Kahn
Keating
Kelster
Kelly, Pa.
Kennedy, Conn.
Kent
Kless, Pa.
Kirkpatrick

Kindel
Kinkaid, N. J.
Korby
Lazaro
Lee, Ga.
Lever
Lewis, Md.
Lieb
Lithicum
Lloyd
Loback
Loneragan
McAndrews
McDermott
McGillcuddy
McGuire, Nebr.
Maguire
Montague
Morgan, La.
Morrison
Murray, Mass.
Murray, Okla.
Neeley, Kans.
Neely, W. Va.
O'Brien
Oldfield
O'Leary
O'Shaunessy
Padgett
Page, N. C.
Park
Patten, N. Y.
Peters, Mass.
Peterson
Post
Pou
Rainey
Raker
Rauch
Rayburn
Reed
Reilly, Wis.

NAYS—87.

La Follette
Lindbergh
McGuire, Okla.
McKenzie
McLaughlin
MacDonald
Madden
Maan
Mapes
Mondell
Moore
Morgan, Okla.
Murdock
Nelson
Nolan, J. I.
Norton
Parker
Payne
Peters, Ma.
Platt
Powers
Roberts, Mass.

ANSWERED "PRESENT"—5.

Guernsey

NOT VOTING—150.

Kitchin
Konop
Kreider
LaFerty
Langham
Langley
Lee, Pa.
L'Engle
Lenroot
Leshar
Lewis, Pa.
Lindquist
Loft
Logue
McClellan
McCoy
Mahan
Maher
Manahan
Martin
Merritt
Metz
Miller
Moon
Morin
Moss, Ind.
Moss, W. Va.
Mott
Oglesby
O'Hair
Palmer
Patton, Pa.
Phelan
Plumley
Porter
Prouty
Quin

Rouse
Rube
Rucker
Russell
Saunders
Sharp
Sherwood
Sims
Small
Smith, N. Y.
Sparkman
Stedman
Stephens, Miss.
Stephens, Nebr.
Stephens, Tex.
Stone
Stout
Summers
Tamm
Talbott, Md.
Talcott, N. Y.
Taylor, Ark.
Taylor, N. Y.
Ten Eyck
Thacher
Thomas
Thompson, Okla.
Tribble
Underwood
Vanshan
Vollmer
Walker
Watkins
Watson
Weaver
Webb
Whitacre
White
Williams
Wilson, Fla.
Winro
Witherspoon
Young, Tex.

Roberts, Nev.
Scott
Sinnott
Sloan
Smith, Idaho
Smith, J. M. C.
Smith, Minn.
Smith, Saml. W.
Stafford
Steenerson
Stephens, Cal.
Stevens, Minn.
Stevens, N. H.
Switzer
Thomson, Ill.
Towner
Volstead
Willis
Woodruff
Woods
Young, N. Dak.

Levy

So the previous question was agreed to.

The Clerk announced the following additional pairs:
Until further notice:

Mr. HARDWICK with Mr. AUSTIN.
Mr. GUDGER with Mr. GUERNSEY.
Mr. UNDERHILL with Mr. MANAHAN.
Mr. GODWIN of North Carolina with Mr. MORIN.
Mr. Sisson with Mr. PLUMLEY.
Mr. REILLY of Connecticut with Mr. MONDELL.
Mr. MOON with Mr. KAHN.
Mr. ESTOPINAL with Mr. DRUKER.
Mr. AIKEN with Mr. ANTHONY.
Mr. DEITRICK with Mr. LINDQUIST.

On this vote:

Mr. GOLDFOGLE (for previous question) with Mr. WINSLOW (against).

Mr. WHALEY (for previous question) with Mr. ROGERS (against).

Mr. HUGHES of Georgia. Mr. Speaker, I should like to vote.

The SPEAKER. Was the gentleman in the Hall listening when his name should have been called?

Mr. HUGHES of Georgia. No, Mr. Speaker; I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

The resolution was agreed to.

Mr. HENRY. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Minnesota [Mr. STEVENS] be substituted for that of the gentleman from Oregon [Mr. LAFFERTY], in pursuance of a tentative agreement arrived at a little while ago.

The SPEAKER. The gentleman from Texas asks unanimous consent that the name of the gentleman from Minnesota [Mr. STEVENS] be substituted for that of the gentleman from Oregon [Mr. LAFFERTY] to control time in opposition to the bill. Is there objection?

There was no objection.

Mr. HENRY. Mr. Speaker, I ask that the gentleman from Alabama [Mr. CLAYTON] be recognized to make a request.

The SPEAKER. The gentleman from Texas asks unanimous consent that the gentleman from Alabama [Mr. CLAYTON] be recognized to make a request. Is there objection?

There was no objection.

Mr. CLAYTON. Mr. Speaker, under a sense of duty I desire to make a brief statement to the House.

In a few days I shall return to the State of my nativity and there take up duties congenial to me, but in the administration of public justice rather than in the making of laws. I therefore deem it my duty at this time to express my appreciation of the confidence that the Committee on Rules and the House itself has shown in me by designating me to take charge of one of the bills mentioned in the resolution just adopted. But, Mr. Speaker, I can not be here longer, after having been appointed to another honorable position under this great Government that calls for duties in a different sphere. I must choose between these two duties; therefore I respectfully ask the House that my name be stricken from the resolution just adopted and that the name of the distinguished young statesman from North Carolina, Mr. WEBB, be substituted where mine now appears in the resolution.

Mr. Speaker, my heart is too full on this occasion to express the gratitude I feel for the uniform kindness extended to me by the House and the love I have for every Member. Everyone has shown me on all occasions the utmost courtesy and kindness.

If it be true as a philosophic fact that the power to make laws is the greatest of all governmental functions, then, perhaps, so far as the wishes of the people are concerned, this body, being nearer to them, is in some sort the greatest of all legislative bodies known to the civilized and progressive nations of the world.

Until very recently, as we all know, this body was the only agency under our plan of government chosen by direct vote of the people. Popular election of Representatives worked so well and so much have you as representatives of the American people merited commendation, that they have decided to choose Senators after the manner in which you have always been chosen. [Applause.] This is the highest indorsement that could possibly have been given to the House of Representatives.

Mr. Speaker, I have served with you here and with others for 17 years. That association has been most pleasant, and I can truly say that so far as my personal relations and my friendships are concerned I know no division by the center aisle of this House. [Applause.] I have had as much courtesy and

kindness from that side of the Chamber as from this. [Applause.]

Mr. Speaker, I beg to assure you and every Member of this House that I shall carry in my heart of hearts the highest appreciation and everlasting love for each and every Member and the most pleasant recollection of my associations here. I thank you, Mr. Speaker, and you gentlemen of the House. [Long and loud applause.]

The SPEAKER. The gentleman from Alabama asks unanimous consent that the name of Mr. WEBB, of North Carolina, be substituted for his name in the control of time where it is mentioned in the resolution. Is there objection?

There was no objection.

The SPEAKER. Under the resolution the House automatically resolves itself into Committee of the Whole House on the state of the Union, and the gentleman from Tennessee, Mr. HULL, will take the chair.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, with Mr. HULL in the chair.

INTERSTATE TRADE COMMISSION.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15613 and other bills. Under the rule, the first reading of H. R. 15613 is dispensed with, and the Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. ADAMSON. Mr. Chairman, the gentleman from Maryland [Mr. COVINGTON] has acted as chairman of the subcommittee, and with great assiduity and ability has labored upon the preparation and perfection of the bill now before this committee. His work was so satisfactory that the subcommittee unanimously agreed, and when it was reported to the full committee was with almost perfect unanimity agreed to. Objection was made, as I remember, by only two persons, not that the bill was not good enough as far as it goes, but that it did not go further and do a little more.

The gentleman from Maryland, from his able and painstaking labors on the subject, probably understands the bill and the subject better than any other member of our committee, if not better than any member of the Committee of the Whole House, and it is with great pleasure, in consideration of his intimate acquaintance with the subject and in recognition of his fidelity and ability in the preparation of this bill, that I yield to him such part of the time allotted to me as he sees proper to use.

Mr. COVINGTON. Mr. Chairman, the bill to create an interstate trade commission now presented to the House is the first legislative measure resulting from the message of the President read to Congress in January last on the subject of trusts and monopolies. In that message he recommended the creation of an interstate trade commission as an instrument of information and publicity and as a clearing house for the facts by which both the public mind and the managers of great business undertakings should be guided. Moreover, he suggested in that message that the commission ought to be made capable of assisting the courts in the shaping of corrective processes.

It is true that the President in urging the creation of a trade commission referred to the wishes of the business men as follows:

They desire the advice, the definite guidance, and information which can be supplied by an administrative body, an interstate trade commission.

And straightway certain big business men and their lawyers, who had in the field of industrial business constantly been hovering in the dim shadows of the twilight zone which separates honesty from unlawfulness, began to hail the message as the forerunner of a statute that would enable them to propose to a Government commission their plans for exploitation, conceived with subtlety and phrased in fair words, and obtain, perchance, that initial approval which would mean individual immunity at a later date if the subtlety of the plan had been followed by fraud or criminality in its consummation.

But these persons had not critically analyzed the President's message, for in speaking of the opinion of the country regarding the trade commission he had also said:

I would not wish to see it empowered to make terms with monopoly or in any sort to assume control of business, as if the Government made itself responsible.

The truth is that the administration idea and the idea of business men generally is for the preservation of proper competitive conditions in our great interstate commerce. That equal and complete freedom in business which is the way of peace and of success as well is best promoted by the unrestrained and

uncontrolled genius and industry of the American business man. Consequently it would be completely out of harmony with our present idea to establish a commission clothed with the effective power to approve and disapprove proposed contracts, to enforce fair competition, to prohibit unfair competition, to have powers of regulation or control of prices, and the power directly to issue orders outlining the scope of the lawful operations of industrial business of this country.

In harmony with those general views the Committee on Interstate and Foreign Commerce submits the bill now under consideration. In the concurring report of the Republican minority it has been accurately said:

For many years all legislation in this committee has been considered upon its merits, without regard to partisan lines or influences.

That has been emphatically the case with this bill to create an interstate trade commission. It is a piece of constructive legislation for the benefit of the whole country, and it was drafted by a subcommittee of Democrats and Republicans, who cooperated in the broadest spirit to produce a measure which will meet the public expectations and necessities. While the bill happens to bear my name, I want this House to understand that it is simply the result of the aggregate labors of the entire membership of a subcommittee, which in turn earnestly sought and gladly accepted all the expert advice it could obtain to produce a bill adequate to meet the sentiments and requirements of the whole people.

Mr. Chairman, public sentiment has undoubtedly crystallized for an interstate trade commission. Two of the three great political parties in the last presidential election advocated such a body in their national platforms. While the Democracy did not propose such a body or in any way deal with the subject as a campaign issue, the President, with that largeness of mind so characteristic of him, finding such a commission to be so desirable as an independent administrative body exercising certain powers in connection with our industrial business, has urged the legislation necessary for its creation. [Applause]

Thoughtful men, without regard to party, have given definite expression to their views favoring an interstate trade commission. In a speech delivered on February 12, last, Victor Morawitz, one of the foremost corporation lawyers of the United States, said:

It is true, however, that more effective machinery could be provided for ascertaining violations of the law, for obtaining prompt decisions as to its application to specific cases as they arise, for enforcing the prohibitions of the law more promptly and more efficiently. To attain that result the creation of an interstate trade commission under an act carefully defining its functions, powers, and duties would be a wise and effective measure.

In the report of the Senate Committee on Interstate Commerce, of which Senator CLAPP was chairman, made to the Senate on February 26, 1913, it was said:

If the Bureau of Corporations were converted into an independent commission composed of trained, skillful men, and clothed with adequate authority, there could be gathered more complete and accurate knowledge of the organization, management, and practices of the corporations and associations engaged in national and international commerce than we now have. In saying this the committee does not mean to disparage the work of the Bureau of Corporations as hitherto carried on, but, valuable as the work has been, it is believed that a greater service could be rendered by a commission with a distinct organization with adequate appropriations and added authority. Moreover, it is clear that the constant inquiry into and investigation of interstate commerce in order to ascertain whether the law is being violated should be more closely connected with prosecutions for violations, when found to exist, than at the present time.

The report of the special committee on trust legislation of the Chamber of Commerce of the United States of America, made on April 14, 1914, contains a paragraph regarding the pending bill, as follows:

For the purposes which the trade-commission bill has in view—affecting business in its great branches of manufacture and merchandising—an independent commission is to be preferred to an official subordinate of a Cabinet officer. A commission will have in its membership one or more men whose experience and training have been gained primarily in business; thus there will always be possibility for representation of the point of view of practical men of affairs. It is inevitable that through the stimulus of discussion and exchange of suggestions among members a commission in its investigations and studies will more surely arrive at essential facts and will reach conclusions which are more truly decisive than is possible for the head of a departmental bureau. Although an individual may be more effective in performance of executive duties, a commission is more successful in dealing with questions involving consideration of complex elements. As the commission is to have a function of recommending legislation relative to trade practices and the like, it is all the more important that it should be a body of experts.

The bill, as it is now presented to this House for passage, has been subject to very wide publicity and very extensive analysis by business men and lawyers all over the country. It is not without its opponents. No piece of legislation intended to benefit the business men of the country and the great masses of the people alike can be expected to commend itself to those malefactors who seek special privilege through the shortcomings or

the devious ways of the law. It is significant, however, that, amid all the generalizations of criticism which have taken place regarding this bill, the powers to be exercised by the commission created under it and the broader field of investigations to be entered by it have not been successfully attacked. So true a representative of that section of big business which is concerned with the sort of special privilege which revels in secrecy as the New York Journal of Commerce, in an editorial more than a column long on April 24, 1914, after discussing the bill to create the proposed interstate trade commission, and applauding the objections of Mr. Felix H. Levy, a well-known corporation lawyer, to the broad powers of publicity and investigation conferred upon the commission, gets its specific objection to the bill down to this paragraph:

But the Covington bill contains no provisions whatever giving to the proposed commission the right to pass upon questions of business procedure which business men may desire to propound. Mr. Levy is certainly not alone in his belief that so far from the proposed interstate trade commission meeting the demand which the President stated in January existed among the business community, it makes no attempt to meet that demand, but, on the contrary, sets up a tribunal whose only claim to recognition must consist in the possession of powers needlessly ineffectual and perilously broad.

I am glad to see the objections of a certain element in Wall Street so frankly stated. It is a singular thing that the men in control of that section of big business which needs stringent supervision and which has in the past been the subject of most criticism for its wayward practices are the men who so persistently urge that a trade commission ought by all means to be created; that the country is crying out for a trade commission, but that it must surely possess the plenary power to pass administrative orders of approval upon the various schemes of combination and business operation which their subtle minds or the cunning of their adroit lawyers can conceive to the disadvantage of the American people. It is just such a course as this that the President vigorously opposes and the committee deliberately determined to prevent. We do not believe that at this time it is possible for a trade commission always to judge accurately, and in the interest of honest big business and the public alike, respecting the approval or disapproval in advance of the plans of combinations to engage in interstate commerce. The approval of those plans may prevent the subsequent prosecution of individuals connected with them, no matter what flagrant violations of law may take place after such approval, and no matter how much ruthless robbery of the people through stock exploitations may have been the result.

It seems almost a foolish thing to present to this House the views of men concerned with industrial business that the creation of a trade commission as an independent body, and with the powers we have conferred upon it, is an eminently wise piece of legislation. That the present bill embodies a full measure of the broad powers which impartial and just business men would have the commission exercise is very evident. Many briefs have been filed by the counsel of these men, and from them I take a passage by Mr. Charles Wesley Dunn, of New York City, the very able counsel of the American Specialty Manufacturers' Association. He says:

The recital of the powers, authority, and duties of the proposed trade commission indicates that such a commission would be in harmony with the suggestions of the President. It has been earnestly and sincerely urged, and with much force, that the commission should in the beginning be clothed with the effective power to deal directly with business, to approve and disapprove proposed contracts, cooperation, and other plans to enforce fair competition and prohibit unfair competition by administrative order. The shadow of a commission thrust full-born and dominating, and suggesting control of private business, would worry the legitimate business world in a manner which would not be beneficial. It is indeed true that "such matters are of a most delicate, complex, and doubtful nature." A trade commission, which by experience has proven its worth and value and has gained the confidence of the business world, may extend its field of service more surely and safely. The President has indicated: "The object and spirit is to meet business halfway in its processes of self-correction and disturb its legitimate course as little as possible." The opinion is ventured that a careful, analytical, and impartial study of industrial business would be of incalculable value. It is believed that this need alone would warrant the creation of a trade commission.

The bill as reported provides for a commission of three members at a salary of \$10,000 a year. The proposed commission will largely justify its creation by the method and manner of the performance of its varied duties by its members. The highly efficient services of men of large capacity will be required, and the salaries of the members of the commission have been placed at a figure which will enable the President to secure that sort of men. In the detailed organization of the commission the provisions of the existing act to regulate commerce and the amendments thereto creating the Interstate Commerce Commission are followed wherever practicable.

Under the act of February 14, 1903, the Bureau of Corporations was created as a bureau of the newly organized Depart-

ment of Commerce and Labor. Under that act and its amendments, the Commissioner of Corporations was given rather extensive powers to investigate the organization and management of business corporations and to obtain such information as would enable the President to make recommendations to Congress for new legislation. With the creation of the Department of Labor in 1913, the bureau was one of those placed under the jurisdiction of the Department of Commerce. While the powers, authority, and duties conferred upon the Bureau of Corporations and the Commissioner of Corporations are broad, there was a failure specifically to require the regular gathering of certain most important kinds of information through the medium of annual reports from industrial corporations engaged in interstate commerce. The act also omitted to confer other powers, perhaps not then thought useful, but now believed to be most necessary to assist in effectuating the definite policy and functions for the proposed commission announced by the President in his trust message.

However, an interstate trade commission must almost of necessity be built up on the foundation existing through the Bureau of Corporations, and in section 3 the bill transfers to the commission all of the powers, authority, and duties of the Bureau of Corporations and of the Commissioner of Corporations. The broadest powers of that bureau and of the Commissioner of Corporations are embraced in the general provision of the law creating that bureau to investigate the organization, conduct, and management of the business of corporations, and to gather information and data to enable the President to make recommendations to Congress for legislation for the regulation of interstate commerce.

And, Mr. Chairman, I think it a just tribute to the broad vision and legal learning of the present minority leader, the gentleman from Illinois [Mr. MANN], to remind Members of this House that he drafted the law creating that bureau amid the fulminations of great constitutional lawyers, who asserted that it attempted to break down the constitutional safeguards of business corporations. [Applause.]

The Commissioner of Corporations up to this time has not come to an issue in court with any corporation concerning the extent of the powers to be exercised under the very general phraseology of the law creating the Bureau of Corporations. At the same time, in the case of *United States v. Armour & Co.* (142 Fed. Rep., 808), before Judge Humphrey in the United States District Court for the Northern District of Illinois, the validity of those powers was expressly in issue in a criminal case. It was held that—

the primary purpose of the act was legislative, to enable Congress by information secured through the work of officers charged with the execution of that law to pass such remedial legislation as might be found necessary, and the act must be construed in view of that purpose—

and that its provisions were definite expressions of legislative intent and constitutionally enforceable.

Notwithstanding the ordinary objections to legislation by mere reference to existing statutes, the committee felt that in view of the judicial determination of the validity of the powers of the Bureau of Corporations and of the Commissioner of Corporations and their broad character it is by far the wisest course in the pending bill to transfer those powers to the commission by specific reference to the existing law.

But, Mr. Chairman, the great value to the American people of the Interstate Commerce Commission has been largely because of its independent power and authority. The dignity of the proposed commission and the respect in which its performance of its duties will be held by the people will also be largely because of its independent power and authority. Therefore the bill removes entirely from the control of the President and the Secretary of Commerce the investigations conducted and the information acquired by the commission under the authority heretofore exercised by the Bureau of Corporations or the Commissioner of Corporations. All such investigations may hereafter be made upon the initiative of the commission, and the information obtained may be made public entirely at the discretion of the commission.

One of the foremost opponents of the creation of the Bureau of Corporations was Mr. Carman F. Randolph, a prominent New York lawyer. He has prepared a brief against the pending bill to create a trade commission "at the request of certain corporate interests within the purview of the bill."

In opposing the powers provided in the bill for the commission, he says:

While the nature and purposes of the commission and the strong phrasing of its powers suggest a sharper inquisitorial activity than the bureau . . . the main constitutional issue is not more deeply involved in the commission bill than in the bureau act.

Having regard for the admitted constitutionality of the bureau act to the extent necessary for the decision in *United States*

against *Armour & Co.*, supra, and considering the nature, according to Mr. Randolph, of the additional powers of great value to the people and industrial business itself to be exercised by the commission, this House may feel well assured that constitutional limitations are duly regarded at the same time that the commission is required to perform effective duties not now existing with the Bureau of Corporations.

Now let us take up the powers conferred upon the interstate trade commission in the pending bill, and which are beyond the purview of the Bureau of Corporations. There has been serious question whether under the powers of the Bureau of Corporations there may be required annual or special reports of specified corporations, indicating information as to the financial condition, organization, bondholders, stockholders, relation to other corporations, and business practices while engaged in interstate commerce. None were apparently contemplated in the law creating that bureau, and certainly there was no compulsory power provided to obtain them.

Therefore, in section 9 of the bill, annual reports from the great industrial concerns of the country are provided for, setting forth essential facts connected with the organization, stockholders, financial condition, and general business conduct of those concerns.

The testimony before the committee by many men of large business experience was singularly in accord with the idea that these reports will afford one of the surest means of that publicity which will tend to an elevated business standard and a better business stability. All corporations engaged in interstate commerce having a capital of more than \$5,000,000 are required to file these reports. But it is not always the large corporation that has an organization or financial condition or a system of practices that requires publicity to bring about lawful methods in its business. It is quite possible that a group of small corporations may be so operated as to cause serious violations of law. The commission is given the power, therefore, to make classifications of corporations having a capital of less than \$5,000,000, which shall be required to make the same annual reports that are to be made by the large corporations. This power of classification will relieve the mass of smaller business concerns engaged in interstate commerce from the necessity of making such reports, while it reserves to the commission that discretion which it ought to have to provide for rational publicity of bad practices in interstate commerce without regard to the size of the corporations engaging in those practices.

The commission, under this section, may also require such special reports as it may deem advisable. By this means, if the ordinary data furnished by a corporation in its annual reports do not adequately disclose its organization, financial condition, business practices, or relation to other corporations, there can be obtained by a special report such additional information as the commission may deem necessary.

Compulsory publicity of an abstract of the annual and special report of each corporation is required by the provision of section 17 that such abstract must be included in the published annual report of the commission. The section contains, however, ample safeguards to prevent the disclosure of those necessary trade secrets which are of no value to the public in promoting lawful competitive business, but which when disclosed simply afford an opportunity for injurious use by competitors.

In some quarters these annual and special reports seem to be regarded as an unnecessary publicity of the affairs of corporations. It is therefore well to note that both the preliminary and final reports of the industrial commission recommended as the chief measures of reform to check the growth of monopoly, greater publicity regarding the operations of corporations, and particularly the establishment of some organ of publicity in the Federal Government.

The preliminary report of the industrial commission submitted to Congress in 1900 said in part as follows:

The larger corporations—the so-called trusts—should be required to publish annually a properly audited report showing in reasonable detail their assets and liabilities, with profit and loss; such reports and audit under oath to be subject to Government inspection. The purpose of such publicity is to encourage competition when profits become excessive, thus protecting consumers against too high prices and to guard the interests of employees by a knowledge of the financial condition of the business in which they are employed.

The final report of the industrial commission, submitted to Congress in 1902, in volume 19, pages 650–651, said in part as follows:

That there be created in the Treasury Department a permanent bureau the duties of which shall be to register all State corporations engaged in interstate or foreign commerce; to secure from such corporations all reports needed to enable the Government to levy a franchise tax with certainty and justice, and to collect the same; to make such inspection and examination of the business and accounts of such

corporations as will guarantee the completeness and accuracy of the information needed to ascertain whether such corporations are observing the conditions prescribed in the act and to enforce penalties against delinquents; and to collate and publish information regarding such combinations and the industries in which they may be engaged, so as to furnish to the Congress proper information for possible future legislation.

The publicity secured by the governmental agency should be such as will prevent the deception of the public through secrecy in the organization and management of industrial combinations or through false information. Such agency would also have at its command the best sources of information regarding special privileges or discriminations, of whatever nature, by which industrial combinations secure monopoly or become dangerous to the public welfare. It is probable that the provisions herein recommended will be sufficient to remove most of the abuses which have arisen in connection with industrial combinations. The remedies suggested may be employed with little or no danger to industrial prosperity and with the certainty of securing information which should enable the Congress to protect the public by further legislation if necessary.

Well-known publicists also place first in the order of correctives for the evils to competition and fair trade still existing in the world of interstate commerce a wide publicity of corporation affairs. In his book, "Trusts or Industrial Combinations in the United States" (1899), Prof. Von Halle, in his chapter, "Conclusions," pages 145-146, says:

In a form which corresponds to the character of the people and Constitution, the railroad problem has been intrusted to a controlling commission; a similar measure is asked for to-day, in view of the great capitalistic organization of production. The means by which it is attempted to settle the great social problems are in many respects identical all over the world. It is not a mechanical regulation of business life, which would lame the individual and make him subservient to a vast machine that is sought for, but a display of the rights of the Nation by means of a control in the hands of the community and in the full light of publicity. No author has conceived better the meaning of the corporation problem for the Commonwealth than Henry C. Adams. He asks for publicity, publication of the results, and the ways in which they were reached; a control through public bodies and a responsibility of the individual member of the administration of the corporation for the observance of the necessary restrictions. The leaders of the large companies have power and honor, but are not kept face to face with sufficient supervision.

In his recent work, "Corporations and the State" (1911), THEODORE E. BURTON, United States Senator from Ohio, says, regarding publicity as a vital force in the regulation of industrial business (pp. 60-61):

The manifest tendency, however, is toward greater publicity; and it should be borne in mind that if a corporation is receiving abnormal profits it is but fair to the public that this should be known. If profits are due to unusual ability, to care, and skill, that is one thing; if they are due to the possession of monopoly privileges or to oppression and exaction, that is another. In any event it would seem that the public is entitled to know whether corporations are being conducted in accordance with the requirements of law. This is certainly true in the case of the great corporations carrying on business on a large scale and coming in close touch with the needs of the people in the production of the necessities of life. When the régime of publicity was introduced in Germany in 1884 fear was expressed that the business of corporations would be destroyed and their stockholders ruined if the details of their earnings and general condition were made public. But time has proven that these grave apprehensions were groundless.

And further on he says (pp. 137-138):

Of all regulations which promise results, publicity should be placed first. The most common argument against greater publicity is that the public has no more right to know about a corporation's affairs than about the affairs of a private individual. Such a view shows a radical misconception of the nature of a corporation. A business organization which is incorporated is a public agency invested with public responsibility. The basis for its existence is not merely the opportunity afforded its members to make profits, but its ability to perform a service more efficiently than any individual. At first, it may not seem desirable to impose this rule upon all the smaller corporations, but when they assume any considerable size there is no other adequate way to protect investors, creditors, and others who are affected.

In a recent address Mr. Guy E. Tripp, chairman of the board of directors, Westinghouse Electric Co., referring to the pending interstate trade commission bill, said:

A trade commission seems to me to be needed in a well-rounded plan of business legislation. No other agency can so well collect information, conduct investigations, and determine facts for the guidance of the legislature and courts, and that in the last analysis is all the power that the bill gives it. No great harm can come from elaborate powers given the commission in way of getting papers and documents except expense and bother to the corporations.

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. COVINGTON. Certainly.

Mr. BATHRICK. Right on that point, in section 9, I notice that in the discretion of the commission this publicity will take place.

Mr. COVINGTON. That is correct.

Mr. BATHRICK. It just occurred to me that the public was not certain to get this information if it relied wholly on the discretion of the commission.

Mr. COVINGTON. Mr. Chairman, I will say to the gentleman that that is the same discretion the Interstate Commerce Commission now possesses, and there has never been any trouble in the 27 years' history of that commission about the public getting all of the information about the railroads that was desired. Moreover, there will inevitably be in the great mass of data col-

lected from 1,300 corporations in the United States certain classes of information which would serve the public no useful purpose, would merely encumber the reports of the commission, and give the American people no information which would enable them to judge of the practices of the corporations, whether they were proper or improper. I think we may safely trust at all times to the personnel of an independent commission, whose members may be named by Presidents of the United States of any political faith, to deal squarely in matters of publicity between the American people and big corporate business in interstate commerce. [Applause.]

Regarding one clause of section 9 there has arisen some legal controversy. Many small corporations have claimed to believe that they may be improperly affected by the expression which authorizes the commission to classify for reports corporations having less capital than \$5,000,000. It has been urged by some that this supposed delegation by Congress to an administrative body of its legislative powers is of doubtful constitutionality. An early and leading case upon the subject is *Field v. Clark* (143 U. S., 649). There the President was authorized to suspend "for such time as he shall deem just" the tariff provisions relating to the free introduction of certain articles whenever satisfied that any country producing such articles imposed duties upon the products of this country "which he shall deem to be reciprocally unequal and unreasonable." The court held that this provision was constitutional and did not "in any real sense invest the President with the power of legislation" (p. 692).

In *Butterfield v. Stranahan* (192 U. S., 470), the court sustained the constitutionality of the tea-inspection act of March 2, 1897 (29 Stat., 604). That act gave the Secretary of the Treasury power, with the aid of a tea-inspection board, to "fix and establish uniform standards of purity, quality, and fitness for consumption of all kinds of tea imported into the United States"; and prohibited the importation of tea "of inferior purity, quality, and fitness for consumption to such standards." The court rejected the contention that this was a delegation of legislative power, saying:

We are of opinion that the statute, when properly construed, * * * but expresses the purpose to exclude the lowest grades of tea, whether demonstrably of inferior purity, or unfit for consumption, or presumably so because of their inferior quality. This, in effect, was the fixing of a primary standard and devolved upon the Secretary of the Treasury the mere executive duty to effectuate the legislative policy declared in the statute. * * * Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute. To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted (p. 496).

In *In re Kollock* (165 U. S., 526) the law taxing oleomargarine required it to be packed in wooden boxes, "marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe." A violation of this provision was made punishable by fine and imprisonment. It was held that this was not an unconstitutional delegation of legislative power.

In *Union Bridge Co. v. United States* (204 U. S., 364) a statute delegating to the Secretary of War the power to determine conclusively that any bridge over a navigable waterway is an unreasonable obstruction to navigation and to require its removal, and imposing a fine of \$5,000 upon proof of the owners' disobedience of the order for its removal, was held proper. The court said:

By the statute in question Congress declared in effect that navigation should be free from unreasonable obstructions arising from bridges of insufficient height, width of span, or other defects. It stopped, however, with this declaration of a general rule and imposed upon the Secretary of War the duty of ascertaining what particular cases came within the rule prescribed by Congress, as well as the duty of enforcing the rule in such cases. In performing that duty the Secretary of War will only execute the clearly expressed will of Congress, and will not, in any true sense, exert legislative or judicial power (p. 386).

In *St. Louis & Iron Mountain Railway Co. v. Taylor* (210 U. S., 281, 287) the court sustained section 5 of the safety-appliance act (27 Stat., 531), which provided, in effect, that after a date named only cars with drawbars of uniform height should be used in interstate commerce, and that the standard should be fixed by the American Railway Association and declared by the Interstate Commerce Commission.

In *United States v. Grimaud* (220 U. S., 506) the act establishing forest reserves (26 Stat., 1103), as amended by Thirtieth Statute, page 35, and Thirty-third Statute, page 628, authorized the Secretary of Agriculture to—make provisions for the protection against destruction by fire and depredations upon the public forests and forest reservations * * * and to make such rules and regulations and establish such services as will insure the objects of such reservation, namely, to regulate their

occupancy and use and to preserve the forests thereon from destruction—

and imposed a punishment for the violation of such regulations. Under this authority the Secretary made a regulation forbidding the grazing of sheep on such reservations without his permission. The defendants were indicted for violating this regulation. Held, the delegation of power was constitutional and the regulation was proper. The court said (p. 516):

In authorizing the Secretary of Agriculture to meet these local conditions Congress was merely conferring administrative functions upon an agent and not delegating to him legislative power.

In *United States v. Antikamnia Chemical Co.* (231 U. S., 654) it was held that section 3 of the pure food and drugs act (34 Stat., 768), giving the Secretaries of the Treasury, of Agriculture, and of Commerce and Labor the power "to make uniform rules and regulations for carrying out the provisions of the act," authorized them to make a regulation requiring the labels on packages of drugs containing any derivative of the substances named in section 8 of the act to state the name of the parent substance as well as of the derivative. It was held that while the power given to the Secretaries was "undoubtedly one of regulation—an administrative power only—not a power to alter or add to the act," the regulation in question was "administrative of the law" and not "additive to it. * * *

If it fulfills the purpose of the law it can not be said to be an addition to the law * * * (pp. 666-667).

In *Interstate Commerce Commission v. Union Pacific Railroad Co.* (224 U. S., 194) the court held that section 20 of the commerce act gave the commission power to require reports both of the interstate and intrastate business of carriers subject to the act and held that section 20 thus construed was not an unlawful delegation of legislative power to the commission. It was said:

The Congress may not delegate its purely legislative power to a commission, but, having laid down the general rules of action under which a commission shall proceed, it may require of that commission the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by the Congress.

In section 20 Congress has authorized the commission to require annual reports. The act itself prescribes in detail what these reports shall contain. The commission is permitted, in its discretion, to require a uniform system of accounting and to prohibit other methods of accounting than those which the commission may prescribe. In other words, Congress has laid down general rules for the guidance of the commission, leaving to it merely the carrying out of details in the exercise of the power so conferred. This, we think, is not a delegation of legislative authority (pp. 214, 215).

From the above cases it seems conclusive that when Congress has once fixed the general test or principle to be applied it may confer on administrative officers a wide latitude of discretion in applying that test or principle. Judged by this rule, the provision in question is clearly constitutional. It obviously is not intended to confer an utterly arbitrary and unlimited discretion upon the commission. The implied test of the propriety of requiring a certain class of corporations to furnish reports is plainly the due enforcement of the antitrust acts and the performance of the commission's duties in assisting to enforce those acts. A primary test may be implied as well as expressed. (*Butterfield v. Stranahan*, supra.) The test here implied—the due enforcement of the antitrust acts—is sufficiently specific.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. COVINGTON. Certainly.

Mr. MOORE. Is the gentleman referring in his second classification to the line on page 8 of the bill which refers to "a class of corporations which the commission will designate"?

Mr. COVINGTON. I am.

Mr. MOORE. That is the second class which the gentleman is now explaining?

Mr. COVINGTON. Yes.

Mr. MOORE. May I ask if this bill does not apply wholly to corporations other than common-carrier corporations which are now subject to the supervision of the Interstate Commerce Commission?

Mr. COVINGTON. Unquestionably, except in a single section. If the gentleman will read the bill carefully, he will find a definition of the word "commerce" which we have created in order to simplify the bill. When that word is used throughout the act it necessarily limits the operations of the commission to interstate commerce, and the bill expressly excludes railways by excepting corporations subject to the act to regulate commerce, except in the section which provides for an investigation to be made to find the facts relating to violations of the antitrust law. We did not think we could circumscribe the right of such investigation by stating it should only take place with respect to corporations not subject to that act, because a railroad corporation, subject to the act to regulate commerce and controlled exclusively under that act, in so far as the regulation

of its rates and its practices and all that sort of thing is concerned, may be engaged in a combination in violation of the Sherman law in connection with a group of hotel companies, for example. The investigation of the hotel companies for operating as a monopoly would force the interstate trade commission into an investigation of the railway itself. But aside from that section, I will say to the gentleman that in every part of this bill railways are carefully excluded. The committee felt that the Interstate Commerce Commission was so wisely, so well, and so satisfactorily, to the great body of American people, performing its duties as a regulatory body over the railroads of this country that we did not want to enter the domain of their power.

Mr. MOORE. In the course of the gentleman's forceful speech he has referred several times to big business and little business. That means business of a corporation, whether big or little?

Mr. COVINGTON. Unquestionably. And in that connection I want to say that I do not regard business as dangerous merely because it is big. The phrase was merely a term commonly used to apply to those great corporations in the interstate commerce of the country.

Mr. MOORE. It does not refer to a business man who is not incorporated, or to business men who are not incorporated?

Mr. COVINGTON. It does not. The business which ought properly to be affected by the operation of a trade commission is so nearly always operated by corporations that the committee did not think it wise to make the provisions of the bill apply to individuals.

Mr. MOORE. Just one more question. On page 5 the word "corporation" is defined to mean—

a body incorporated under law, and also joint-stock associations and all other associations having shares of capital or capital stock or organized to carry on business with a view to profit.

During a previous discussion in the House a question arose as to whether we should include in certain legislation a corporation publishing a socialistic newspaper, which had seven or eight thousand stockholders—in effect a paper published by a labor association. Would that be included amongst those corporations having—

shares of capital or capital stock or organized to carry on business with a view to profit?

Would that be included amongst those subject to inquiry by and report to an interstate trade commission?

Mr. COVINGTON. Mr. Chairman, I would not like to hazard an opinion upon whether a particular journal would or would not be included, because that might involve some sort of examination as to the precise method and manner of the business organization conducting the journal. I will say this, that I think I know what the gentleman is driving at. There was not any intention in the framing of that definition in this bill to create any exemptions for labor organizations or farmers' organizations, or any other sort of organizations that exist in the United States of America, because the proposed trade commission will not deal with any of them in such a way as to infringe their just rights.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. COVINGTON. Yes.

Mr. BORLAND. I might suggest to the gentleman from Pennsylvania [Mr. Moore] that those corporations included in this act must not only be corporations within the definition of corporations, but they must be engaged in commerce within the definition of commerce, and that means such commerce as Congress has the power to regulate under the Constitution.

Mr. MOORE. But if the gentleman will look at page 5 he will find it refers to any association having shares of capital or capital stock, or organized to carry on business with a view to profit, which was certainly the case with regard to that socialistic newspaper, which has seven or eight thousand stockholders, which was especially exempted from certain operations of the postal laws.

Mr. BORLAND. Yes; and if the gentleman will turn to page 7, section 9, he will see reference there to "every corporation engaged in commerce," so that the definition he must refer to is not only the definition of "corporations," but also the definition of "commerce," because it must be a corporation within the definition, and also be engaged in commerce within the definition.

Mr. TOWNER. I want to call the gentleman's attention to the distinction of "commerce." As I understand it, he said it was written in the bill, so as to exclude railroad companies. The distinction is given in section 6, as follows:

Commerce means such commerce as Congress has power to regulate under the Constitution.

Mr. COVINGTON. I fear the gentleman misunderstood me. What I meant to say was this, that the definitions and express exemptions eliminate carriers from the operation of this act, except in a single section. That is the meaning I intended to convey.

Mr. TOWNER. The definition of commerce as here given—

Mr. COVINGTON. The definition of "commerce" is broad enough to cover any commerce over which the Federal courts have control.

Mr. TOWNER. I have not examined the bill carefully enough to know whether its exclusion would be carried out in other places of the bill or not.

Mr. COVINGTON. I think the gentleman, whose legal ability I always gladly recognize, will find on a careful examination of this bill that we have excluded railways from every provision of it except the single one to which I have referred.

Now, Mr. Chairman, to return from the diversion, I want to say a final word regarding the classification of the corporations under section 9. The Congress has itself fixed two broad classes, those with more than \$5,000,000 capital, which are arbitrarily required to file reports, and those with less than \$5,000,000, which, under rules and regulations of the commission, may or may not report. In the language of the Supreme Court in the *Antikamnia* case, the regulation classifying certain corporations from which reports must be filed is "administrative of the law" and not "additive to it."

I come now to another important power of the commission. The commission will also be required under section 10 of the bill, by the direction of the President, the Attorney General, or either House of Congress, to investigate and report the facts relative to any alleged violation of the antitrust acts, and it may include in its report recommendations for readjustment of business so that the corporations investigated may operate lawfully.

It has long been the opinion of lawyers who have represented the Government that there should be some compulsory process whereby the Department of Justice, before bringing suit under the antitrust act, can obtain all the information necessary to determine whether the act has been violated and for the proper statement of the case if there has been a violation. As the law now stands in civil proceedings under the antitrust laws the department has no means of compelling the disclosure of facts in advance of bringing suit. This deficiency is fully met by the provision of section 10 of the pending bill.

Especially valuable will be the provision that agents of the commission shall have the right to examine the files of any corporation under investigation. This is a much more effective means of obtaining information than by a subpoena duces tecum, since before making use of the latter the prosecutor must know what records and documents to specify, whereas there may be in the possession of the corporation many records and documents material to the inquiry of which he has no knowledge and which could only be discovered by such an examination as this section authorizes.

Attorney General Harmon, in reply to a House resolution of January 7, 1896, requesting a report regarding the enforcement of the laws against trusts and conspiracies in restraint of trade, and what further legislation, if any, was needed, in part said:

If the Department of Justice is expected to conduct investigations of alleged violations of the present law or of the law as it may be amended, it must be provided with a liberal appropriation and a force properly selected and organized. * * * But I respectfully submit that the general policy which has hitherto been pursued of confining this department very closely to court work is a wise one, and that the duty of detecting offenses and furnishing evidence thereof should be committed to some other department or bureau.

Moreover, the Department of Justice has often found that an agreement for readjustment by an offending corporation accomplishes a better result than the continuance of a prosecution. Heretofore there has been no administrative body to obtain the information that will assist in attaining such an end, and in connection with this power now conferred the commission has a most desirable independence preserved by giving it the entire control of its report to be made after such investigation. There can thus be no laxity at the Department of Justice when it is presented with the facts disclosing violations of law.

Mr. MADDEN. The creation of this commission would not create ability in men, would it?

Mr. COVINGTON. Certainly not.

Mr. MADDEN. They would not be able to get any better experts under the commission plan than under the other?

Mr. COVINGTON. The gentleman from Illinois is recognized as a pretty good business man, and he knows that when you begin to organize a bureau as an independent administrative body, authorize it to do work along certain lines, and employ steadily special classes of legal experts and certain

classes of experts in the various lines of industrial business to make investigations, that just as the Interstate Commerce Commission has created its trained experts to get the facts regarding railway operations in the country, you would develop a set of experts by the constant special work who will be much more successful than the chance investigators that the Department of Justice or the Bureau of Corporations is able to find.

Mr. MADDEN. I am willing to admit you can train men to become specialists.

Mr. COVINGTON. That is all I intended to mean by the assertion I made.

Broad as are the powers of the Bureau of Corporations, the Commissioner of Corporations, in his report of 1904 (p. 14) defines the limit of those powers. He says:

He can not make investigations or procure or furnish information by means of his compulsory powers for the purpose of enforcing penal provisions other than those contained in the organic act of the bureau.

It is therefore certain that the power to investigate and report the facts concerning alleged violations of the antitrust acts, *including the power to make recommendations for readjustment of business in accordance with law*, is not now vested in the Bureau of Corporations.

And, Mr. Speaker, herein is to be found the full measure of "definite guidance and counsel," and the spirit "to meet business halfway in its process of self-correction" which the President referred to in his special message to Congress. Not to advise in advance, in a fashion at variance with our entire jurisprudence, but to meet in a spirit of compromise and conciliation those who really have unwittingly offended and who desire to obey the law.

That this investigational power is a constitutional delegation of power seems certain. By section 3 of Article II of the Constitution it is specifically required of the President that "he shall take care that the laws be faithfully executed." The Attorney General is merely an arm of the Executive, and it was no doubt in consonance with this constitutional provision that Attorney General Harmon wrote the report to Congress above referred to. It is thus certain that the investigations by the commission under this section, by direction of either the President or the Attorney General, will be in the exercise of valid power delegated to the commission.

In so far as the investigations under this section as the result of resolutions of Congress, or either House thereof, are concerned, the commission is authorized to perform a legal and certainly a most beneficent function. Congress, having the constitutional authority to legislate in regard to interstate and foreign commerce, has the power to obtain all the information necessary to make such legislation appropriate and adequate. Its future regulation of industrial corporations engaged in interstate and foreign commerce may be as much determined by information concerning the present practices of corporations in violation of law as otherwise. In its judgment the existing substantive law or procedure of the courts may be ineffective and new remedial legislation may be the solution. In repeated cases the Supreme Court has held that "Congress may not delegate its purely legislative power to a commission," but it has not been held that Congress may not by a commission elicit information in order to lay the foundation for intelligent and effective action in the matter of regulating interstate and foreign commerce.

Unthinking criticism has been directed against such power to be conferred on the commission. However, more than 25 years ago Judge Cooley, the distinguished chairman of the Interstate Commerce Commission, said of such power then believed to exist in that commission:

This is a very important provision, and the commission will no doubt have frequent occasion to take action under it. It will not hesitate to do so in any case in which a mischief of public importance is thought to exist and which is not likely to be brought to its attention on complaint by a private prosecutor.

The committee also limited the authority of the commission under this section to investigating and reporting the facts and did not authorize it to make findings as to whether the antitrust laws had been violated. A grave constitutional question might arise from any attempt to confer this larger authority upon the commission, but putting the constitutional question aside, the practical results may be most unfortunate. If the commission, acting under such a provision, ascertained the facts in respect of an alleged violation of the antitrust act and reported them to the Attorney General, together with its conclusion that the facts disclosed a violation of the act, and the Attorney General was nevertheless of opinion that the facts found by the commission did not constitute a violation of the act, he must nevertheless prosecute. For if, in his discretion,

he refused to prosecute, that course would soon bring a collision between the commission and the Department of Justice.

In addition to the broad powers of subpoena conferred on the commission and available for investigations under the section, it is also expressly provided that—

For the purpose of prosecuting any investigation or proceeding authorized by this section, the commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against.

Those who oppose this bill as containing unusual inquisitorial power point to this paragraph as constituting a clear invasion of the constitutional guaranty against unreasonable searches and seizures contained in the fourth amendment to the Constitution.

In section 20 of the amended act to regulate commerce is contained an almost identical provision. It has been much availed of by the Interstate Commerce Commission, and has only been brought into question in a case or two where the commission sought access to documents which the carrier believed was not included in the language of the act. That it is entirely unconstitutional has never been contended.

The search-and-seizure clause of the fourth amendment undoubtedly applies to corporations. (*Hale v. Henkel*, 201 U. S. 43, 76.) It seems, however, that its application to corporations is much narrower than its application to individuals; for corporations, unlike individuals, are not protected by the self-incrimination provision of the fifth amendment. (*Hale v. Henkel*, supra.) And one purpose of the fourth amendment is substantially the same as that of the self-incrimination provision of the fifth—to prevent the forcible production of an individual's private books and papers to be used in evidence against him. (*Boyd v. United States*, 116 U. S. 616, 633.) It seems to follow that a search or seizure directed against a corporation can not be "unreasonable" simply because it compels the production of testimony against that corporation, and it has been so intimated by the Supreme Court. (*Interstate Commerce Commission v. Baird*, 194 U. S. 25, 45-46; *Hale v. Henkel*, supra, 73-75.) The unreasonableness of a search or seizure directed against a corporation must therefore rest on another basis than that of self-incrimination. That basis is indicated in *Hale v. Henkel*, supra, as follows:

We are also of opinion that an order for the production of books and papers may constitute an unreasonable search and seizure within the fourth amendment. While a search ordinarily implies a quest by an officer of the law, and a seizure contemplates a forcible dispossession of the owner, still, as was held in the *Boyd* case, the substance of the offense is the compulsory production of private papers, whether under a search warrant or a subpoena duces tecum, against which the person, be he individual or corporation, is entitled to protection. Applying the test of reasonableness to the present case, we think the subpoena duces tecum is far too sweeping in its terms to be regarded as reasonable. It does not require the production of a single contract, or of contracts with a particular corporation, or a limited number of documents, but all understandings, contracts, or correspondence between the MacAndrews & Forbes Co., and no less than six different companies, as well as all reports made and accounts rendered by such companies from the date of the organization of the MacAndrews & Forbes Co., as well as all letters received by that company since its organization from more than a dozen different companies, situated in seven different States in the Union.

If the writ had required the production of all the books, papers, and documents found in the office of the MacAndrews & Forbes Co., it would scarcely be more universal in its operation, or more completely put a stop to the business of that company. Indeed, it is difficult to say how its business could be carried on after it had been denuded of this mass of material, which is not shown to be necessary in the prosecution of this case, and is clearly in violation of the general principle of law with regard to the particularity required in the description of documents necessary to a search warrant or subpoena.

* * * A general subpoena of this description is equally indefensible as a search warrant would be if couched in similar terms (pp. 76-77).

This language applies in terms only to search warrants and subpoenas duces tecum. The principle there laid down would scarcely be extended to an examination of books and papers by an administrative officer under statutory authority. Indeed, it seems to have been expressly left open by the opinion in *Hale v. Henkel*, which concludes:

Of course, in view of the power of Congress over interstate commerce to which we have adverted, we do not wish to be understood as holding that an examination of the books of a corporation, if duly authorized by act of Congress, would constitute an unreasonable search and seizure within the fourth amendment (p. 77).

This language can not mean that Congress may authorize a violation of the fourth amendment, and its only other meaning is that the court was prepared to draw a distinction between such an administrative power of visitation as is conferred by the section of the present bill and the judicial process of search warrant or subpoena duces tecum involved in *Hale v. Henkel*.

The test to be applied where corporations are concerned is that of reasonableness in fact, as *Hale v. Henkel*, supra, plainly indicates. The court has frequently recognized the wide visitatorial powers which Congress may exercise over corporations engaged in interstate commerce, and the necessity for a consid-

erable latitude in the exercise of this power. (*I. C. C. v. Baird*, supra; *I. C. C. v. Brimson*, 154 U. S. 447; *I. C. C. v. Goodrich Transit Co.*, supra, 215; *Kansas City Southern Railway Co. v. United States*, 231 U. S. 423.) And observing the broad application of the rule in the "Beef Trust cases," *United States v. Armour & Co.* (142 Fed. Rep., 803), there would seem to be no doubt that there is ample authority for the full exercise in a constitutional manner of the inquisitorial and visitatorial powers conferred upon the commission.

In section 12 there is conferred upon the commission a broad and useful power as adjunct to the courts in suits arising under the antitrust laws. This is another essential power not vested in the Bureau of Corporations. There has been no proper bureau equipped with a trained force to assist the Department of Justice and the courts in solving the difficult economic problems connected with the dissolution of corporations which have been adjudged to be operating in violation of the antitrust laws, and one of the most effective powers conferred upon the interstate trade commission is that contained in the section authorizing the courts to refer to it the matters of the pending suit at the conclusion of the testimony therein to ascertain and report an appropriate form of decree. The purpose of such investigation is to give the court the most complete economic information to assist it. This power, of course, does not authorize the commission to gather evidence to be offered in any case considered by the court as the basis of its judgment, and it amply safeguards the constitutional rights of defendants by reserving to them the same right to file exception to the report that now exists in relation to masters' reports in equity causes in the Federal courts. The commission, as an independent body of specialists, will, however, have placed upon it the proper burden of framing the plans for the effective segregation and readjustment of unlawful combination, subject, of course, to the approval of the court.

Mr. FOWLER. Will the gentleman yield?

Mr. COVINGTON. I will.

Mr. FOWLER. The provision in section 12 is a departure, is it not, from the ordinary rule of courts?

Mr. COVINGTON. Oh, absolutely. It creates a certain innovation in the judicial procedure of this country; but it is an innovation that has the approval of about as heterogeneous a group of well-informed gentlemen as in this country could possibly be found. I find a statement of approval in *The Outlook*, which is supposed to be the embodiment of Mr. Roosevelt's Progressive Party views. I find also Mr. Samuel Untermyer, who is supposed to be somewhat of an authority on this sort of legislation, in a recent magazine article advocating it. And several of the most conservative of business men, such as Seth Low, think it a proper function of the commission.

Mr. FOWLER. I did not rise for the purpose of offering a criticism, but I want to ask the gentleman if he had any fears that it might delay a final judgment in case the court—

Mr. COVINGTON. On the contrary—and I will try to tell the gentleman from Illinois the history of the dissolution of the American Tobacco Co. When the Supreme Court decided that the Tobacco Trust was a combination in restraint of trade, no effective decree of dissolution was formulated, but the case was remanded to Judge Lacombe of the Southern District Court of New York, with instructions to formulate a decree of dissolution in consonance with the opinion. When the case got back to Judge Lacombe he found this proposition confronting him: Here was a great combination, with its trade ramifications everywhere, with 35 or 40 constituent companies doing all branches of tobacco business. He was a lawyer and not an economist. His training had been along the lines of legal study and not of industrial operations and statistics. Here, however, he was confronted with the proposition to formulate a decree that would at once create an effective dissolution of the trust and also safeguard the honest interests of the thousands of stockholders of the many constituent companies who were about to be launched into independent business. What actually happened was that the Attorney General and the representatives of the tobacco company, week after week and month after month, labored over a decree by consent. They called on the Bureau of Corporations for such information as it had regarding the American Tobacco Co., and they finally evolved by agreement a sort of decree that they thought would fit the case and submitted it to Judge Lacombe for his final approval. The net result was that, by reason of the lack of an efficient body charged with the handling of the numerous facts relating to all those tobacco concerns and assisting the court, a delay was caused and an imperfect decree resulted. If Judge Lacombe had been able to refer to a commission of the sort now proposed the whole record in the case and obtain a report concerning the form of a

proper constructive decree of dissolution, the public would have been more speedily and more effectively served.

I yield to the gentleman from Illinois [Mr. FOWLER].

Mr. FOWLER. Does not the gentleman think that when a case is being tried the court should say, in the first instance, that it needed help, and make a demand or a request upon the commission for such information as it might have at its command concerning the truth or concerning the business that was affected by the suit, rather than wait until after the evidence is all in and then submit the case to the Interstate Commerce Commission for an opinion as to what character of a judgment should be rendered?

Mr. COVINGTON. I think that would be an invasion of the constitutional right of the defendant.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Iowa?

Mr. COVINGTON. Yes.

Mr. TOWNER. I wanted to say to the gentleman that, as I understood it, in cases of this character this report of the commission upon the request of the court was to be treated as the report of a master in chancery. If that is the case, I commend the gentleman and the committee, because it seems to me that that is not only a very ingenious and very expeditious method of treatment, but it is entirely within the powers of every court in every instance where a court desires to have before it in a case of equity a report from a master in chancery. It has a very large discretionary power. It is not bound to accept the report of the master in chancery, neither would the court here be bound to accept the report of the commission. But it might act upon it and use it, and it seems to me that that is not only perfectly legal, but a very expeditious and well-informed method of getting the information before the court.

Mr. COVINGTON. The last three or four lines, specifically providing for the reference, were actually taken, in substance, from the recent rules of the Supreme Court providing for references to masters in chancery.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Illinois?

Mr. COVINGTON. Yes.

Mr. MADDEN. I would like to inquire as to the procedure where a case was brought in equity and the court, in view of the testimony, if it deemed it proper to refer it to the commission, did so refer it, whether the commission has any power to take such testimony except that testimony already taken by the court?

Mr. COVINGTON. Absolutely none. There was no question in the committee but that such a course would constitute a bald invasion of the constitutional rights of the defendant. He would not have his day in court. It does just what Judge Towner has so accurately expressed—it has provided this machinery in a rather happy way and imposed on the commission practically the function of a master in chancery.

Mr. MADDEN. I was afraid that the words "refer said suits to the commission to ascertain and report" gave the commission power to take evidence.

Mr. COVINGTON. No. That language is universally accepted by the courts to mean simply referring the actual record papers in the case.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Virginia?

Mr. COVINGTON. I do.

Mr. MONTAGUE. I am interested in the gentleman's statement. In order that the matter may not be misunderstood, although my colleague has expressed it clearly, the committee should observe this language:

If it—

That is, the court—

shall be then of opinion that the complainant is entitled to relief.

In other words, the court has reached an opinion, and the reference is not upon subsequent evidence, but upon the existing record at that time, in order that the decree may be effective in carrying out that opinion.

Mr. COVINGTON. That is precisely the condition that will exist. The judgment of the court will already have been arrived at. The reference will be after the decree is determined to be entered against the defendant.

Mr. MADDEN. I am not a lawyer, but a business man, and am one who might possibly be affected by an investigation of the commission at some time. I was afraid that they might have the power to take evidence that had not already been given in the court.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Illinois?

Mr. COVINGTON. I yield for a question.

Mr. FOWLER. The point brought out by the gentleman from Virginia [Mr. MONTAGUE] is the very point that impressed me as the reason for delay. After the court has made up its mind that relief ought to be granted, then if it is referred to another body it occasions an opportunity for delay, and that is the question that was worrying me in the matter.

Mr. COVINGTON. I appreciate the good intentions of the gentleman from Illinois, and I know what is running through his mind, but the committee was abundantly satisfied that delay would not be the actual result in practice.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Georgia?

Mr. COVINGTON. I yield to the gentleman from Georgia.

Mr. ADAMSON. It is customary, after the court has arrived at a general conclusion in the case, that the attorneys of the case should participate in drawing the decree, and they do usually participate in drawing it, do they not?

Mr. COVINGTON. They do, as a matter of fact.

Mr. ADAMSON. Now, when attorneys have some difficulty in agreeing upon the form of the decree and the court and attorneys have some embarrassment about it, they will find in this commission a body of very able men, conversant with the subject and fully acquainted with all the details of the business which is before the court, and is it not exceedingly appropriate that for that reason the form of that decree should be referred to such a board as that, in order to aid the court and the lawyers in its preparation?

The Senate Committee on Interstate Commerce in its report to the Senate on February 26, 1913, on this subject, said:

One of the most serious problems in connection with suits brought under the antitrust act is to find the proper method of disintegrating combinations that have been adjudged unlawful. The dissolution of a corporation or a series of associated corporations must often involve the consideration of plans for reorganization in order that the property which has been unlawfully employed may thereafter be lawfully used in commerce. The courts are not fitted for the work of reconstruction, and whatever jurisdiction they now have or that may hereafter be conferred upon them with respect to such matters, it can not be gainsaid that a commission the members of which are in close touch with business affairs, and who are intimately acquainted with the commercial situation, might be extremely helpful in the required adjustment.

And in referring to this section in the pending bill one of the most experienced trust prosecutors of the Government has recently said:

This is a most useful provision. Many of the suits instituted under the antitrust laws cover the entire range of an industry, and where combinations complained of are adjudged unlawful the working out of the appropriate relief often involves intricate problems of trade, finance, and economics. It would be a great relief to the Department of Justice and to the courts if it were possible to refer such problems to such a body as the proposed interstate trade commission.

Mr. Chairman, let me now take up another important function. The commission is required upon its own initiative by section 13 to see that the execution of any decree against any corporation to prevent or restrain a violation of the antitrust acts is effective. It has been repeatedly said by authorities upon this subject that there must be some independent and impartial body charged with the duty to see to the continued performance, subject to the direction of the court, of such decrees. The commission is to make investigations whenever necessary for the purpose of enforcing that effective disintegration of a combination in restraint of trade contemplated by the decree of court, and it must transmit to the Attorney General a report showing the manner in which the decree is being carried out so that application may be made at once to the court for any supplemental order necessary to the proper and continued enforcement of its decree.

Mr. MADDEN. Now, if the gentleman finds a corporation which had been dissolved violating the decree, would it be the duty of the commission to report that case to the Attorney General?

Mr. COVINGTON. The bill so states, and the Attorney General would then, in the usual procedure appear in court and ask an order to have the appropriate corrective process, by a proceeding for contempt or otherwise, adjudged against those who had been guilty of the violation.

That this is regarded by informed persons as a most vital function, I quote from an article by Mr. Samuel Untermyer, the widely known New York lawyer, in a recent number of the North American Review:

It should be the province of the trade commission, and of the Interstate Commerce Commission in the case of railroads, to perform for the courts the burden of framing plans of segregation and readjustment of unlawful combinations, subject to the approval of the court, and to

retain jurisdiction, under the direction of the court, so as to see the proper enforcement of the decree. Until we have such a body charged with that duty there will be no such thing as an effective dissolution of unlawful combinations.

And The Outlook of February 14, 1914, while urging other functions for a trade commission consistent with the Progressive Party theory of licensing monopoly, at the same time declares, as one of the most important functions of such an independent body, that—

Whenever by a decree of court a combination is declared to be monopolistic and is ordered to be dissolved, the Federal trade commission should be given the authority and duty of administering the decree of dissolution, with full power to decide what it is necessary for the combination to do in order that the purpose of the decree be carried out.

And the same able attorney for the Government in trust cases above quoted, in referring to this proposed power says:

The usefulness of this provision is patent. Complaints are frequently made of alleged violations of decrees entered in suits under the anti-trust act, and their investigation would be greatly facilitated if made one of the principal duties of a permanent body clothed with power to require witnesses to testify and to compel the production of books and papers. As the law now stands such complaints must be investigated by agents of the department without the aid of compulsory process.

Mr. SCOTT. Will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. COVINGTON. I yield to the gentleman.

Mr. SCOTT. Aside from this power conferred by section 13, following the final decree, is it claimed for this bill that the commission to be created possesses any other inherent powers than those now possessed by the Bureau of Corporations?

Mr. COVINGTON. I have stated three very distinct, broad powers not now possessed by the Bureau of Corporations.

Mr. SCOTT. Perhaps the gentleman does not understand. I would not classify as inherent powers the powers stated by the gentleman. For instance, the powers initiated by the President or the Attorney General, or to be exercised only upon direction of those officials, can hardly be said to be inherent. True, the commission performs certain functions after the action has been initiated by these other officers, but has the commission any other power than the present power in and of itself, acting upon its own initiative, outside of section 13?

Mr. COVINGTON. Oh, yes. If the gentleman was present during the earlier part of my remarks he must recall that I pointed out, at least to the best of my ability, that the power to gather the annual reports and the special reports which are to comprise the great body of information, producing that publicity which a great many men in America believe will be a great and salient safeguard for honest business in the future, is not a power now possessed by the Bureau of Corporations. It can not classify corporations nor segregate the smaller concerns into those classes which ought not to be burdened by the requirement for reports, while at the same time requiring reports from those which, notwithstanding their smallness, are so operating as to need that great check which would come from publicity of their acts.

Mr. TALCOTT of New York. If the gentleman will yield, I will simply remind the gentleman from Iowa [Mr. Scott] that the gentleman from Maryland [Mr. Covington] has already said that the power exercised under section 13 was exercised on the initiative of the commission.

Mr. SCOTT. I mentioned that. I will say to the gentleman that I was present during all of his remarks, and I thought I followed him quite closely; but it occurred to me that an examination of the section to which the gentleman referred showed that that was not a power of the commission at all, but a provision of the statute imposing those duties upon the corporation; and the corporation does not act in response to a requirement of the commission, or under any power exercised by the commission, but under the direct requirement of this statute. And in that respect the power of the commission is not enlarged.

Mr. COVINGTON. If the gentleman dwells upon that technical construction which differentiates between the powers inherent in the commission and the imperative duties to be performed by corporations at the instance of the commission, that is true. But I take it that in legislating in a broad way the true test by which such a bill as this must be judged is whether there are or are not in it valuable provisions guaranteeing to the American people, either through the inherent power of the commission itself or through the legislative provisions of the bill, which fasten on the corporations specific duties, effective powers which make for the welfare of the people and safeguard their interest as against the unlawful aggressions of the big corporations of this country. I know the gentleman would not want to split hairs on whether or not these are inherent powers when he comes to reflect.

Mr. SCOTT. I hope the gentleman will not think that I am criticizing the bill, but it occurred to me that it was quite material to be considered whether or not these obligations that are

imposed on the corporation by the law were to be enforced by a commission or whether it stands as a mere statute to be enforced through the courts in the ordinary way.

Mr. COVINGTON. There is a penalty to be enforced through the courts. I see the gentleman's point of view.

Mr. ADAMSON. Will the gentleman yield?

Mr. COVINGTON. Certainly.

Mr. ADAMSON. Will the gentleman tell me how it is possible for this proposed commission to have any inherent power? Is it not entirely dependent upon the provision of law creating it for all authority?

Mr. COVINGTON. I assumed that the gentleman from Iowa meant inherent in the sense of any power that we conferred upon the commission.

Mr. SCOTT. Certainly.

Mr. ADAMSON. Does not the gentleman from Maryland think, and did not he write the provision with that view, that it will be the duty of the commission, if the bill goes through in the present form, to keep itself thoroughly posted under the law at all times as to the condition and all the details of all the business institutions in and above the class that is made the minimum in the bill?

Mr. COVINGTON. Yes.

Mr. LEVY. Will the gentleman yield?

Mr. COVINGTON. I will.

Mr. LEVY. Is there any way under this bill by which you can avoid the interference of all these investigators at once? For instance, the Attorney General and the Interstate Commerce Commission, the Interstate Trade Commission, and the Department of Labor might all at one and the same time investigate the same corporation. Is not there some way by which you can provide that an investigation shall be made only by this commission? For instance, we have in New York 13 or 14 inspectors of buildings, and very often they all come to inspect the property at one and the same time. Now, I am not criticizing the gentleman's bill, but I want to know if there is not a way by which the Interstate Trade Commission can take the responsibility of all these other investigators and make the investigation, instead of having three or four made at once?

Mr. COVINGTON. When the bill goes into effect and the commission is appointed, it will be the only body that will have power under the Federal Government to make any investigations into the interstate-commerce business of corporations.

Mr. MADDEN. Is it intended to have some uniform method of summarizing the reports?

Mr. COVINGTON. Mr. Chairman, I will state that the commission in one section is given ample power to formulate uniform rules and regulations for the entire operation of its work and for everything pertaining to its investigations and reports.

Mr. MADDEN. Not to endeavor to invade the methods of conducting business, bookkeeping, and that sort of thing?

Mr. COVINGTON. After careful consideration, the committee was a unit in the opinion that at this time the widely different methods of industrial business, their varied schemes of accounting, each sufficient, perhaps, to itself, would not permit this commission successfully to create a uniform system of accounting.

Mr. MADDEN. I am very glad the committee did not do that, because every line of business has its own particular line of accounting, and it would not fit into any other line of business in any way.

Mr. COVINGTON. That is precisely the opinion that this committee arrived at after quite an exhaustive discussion.

Mr. Chairman, on April 17, 1914, that very able independent newspaper, the Springfield Republican, said of this whole bill and its purpose for the benefit of the business people of the United States:

The majority of the House Interstate Commerce Committee wisely reports concerning the scope of the commission's powers, that only experience can be depended upon to develop them in accordance with the demonstrated needs of the country. The history of the Interstate Commerce Commission in relation to railroads shows a gradual evolution of function which could not wisely have been hastened by arbitrary legislative fiat. The development of the interstate trade commission may well be left to future requirements and the unmistakable demands of the people.

Mr. Chairman, as I stated in the report presented to the House on this bill, the commission has in no sense been empowered to make terms with monopoly or in any way to assume control of business. Such matters are of a most delicate, complex, and doubtful nature, and their advocates seemed all too desirous that the Government should make itself initially responsible for corporate activities conceived perhaps with such subtlety that the dangers to the public might develop only after sad experience. There has been no attempt to deal with the question of maintenance of fixed prices. The commission has been given no power to pass orders in any way regulating produc-

tion. It has not been clothed with authority to make a declaration as to the innocuousness of any particular corporation or agreement, even if coupled with the right to revoke such order in the future.

All those problems are interwoven with the industrial business of the country in such a way as to be effectively legislated upon, if at all, only after the most exhaustive investigation by trained experts. The hearings before the Senate Committee on Interstate Commerce of a year and a half ago and the hearings before this committee during the pendency of the present bill did not produce any information which would warrant an attempt at an intelligent and sound legislation upon them.

It must be remembered that this commission enters a new field of governmental activity. The history of the Interstate Commerce Commission is conclusive evidence that the best legislation regarding many of the problems to come before the Interstate Trade Commission will be produced from time to time as the result of the reports of the commission after exhaustive inquiries and investigations. No one can foretell the extent to which the complex interstate business of a great country like the United States may require, alike for the benefit of the business man and for the protection of the public, new legislation in the form of Federal regulations, but such legislation should come by a sound process of evolution. Even the control of the railways in this country by the Interstate Commerce Commission affords no complete parallel to administrative control of the industrial corporations of the country by a Federal commission. It is largely the experience of the independent commission itself that will afford Congress the accurate information necessary to give to the country from time to time the additional legislation which may be needed.

There has already come an awakened public conscience to correct the shortcomings and evils of government that have grown up in America as a result of that smug complacency which seems to have gone hand in hand with our tremendous material progress and prosperity. The people have come to a better understanding of the genesis of our institutions, and they realize that our country's greatness must consist, not merely in the wealth of its inhabitants, not in the extent of its territory, but in the capacity of its citizens to maintain justice and liberty through the agency of self-government. The vast majority of the evils still existing in the industrial world will be in the future corrected by that pitiless publicity which will make the man of devious ways an object of reproach among his fellow men. Where publicity fails to be a sufficient corrective I think we have provided, in the proposed bill to create the Interstate Trade Commission, ample powers to promote beneficent legislation and to aid the existing administrative machinery of the Federal courts to an extent not now anywhere authorized.

If this commission shall be created, the clear vision, ripe experience, and abiding patriotism of the President can be depended upon to select for its membership men of the character and capacity to make it in its field as great a success as the Interstate Commerce Commission. And the country may with full assurance feel that it will perform services that will be of inestimable advantage to the business and the future of the country. [Applause.]

Mr. STEVENS of Minnesota. Mr. Chairman, I ask to be notified at the end of 20 minutes.

The Republicans upon the Committee on Interstate and Foreign Commerce realized that there was a severe responsibility upon them; that the general subject concretely presented in this measure had been discussed before the country for several years; that the establishment of a trade commission of some sort had been generally acceptable to the business world; that the leading publicists, economists, and men of affairs, whose judgments are of consequence in our country, had almost unanimously advocated such a plan; and especially it had been approved by the leaders of the Republican Party. President Taft in his messages in 1911 and 1912 especially recommended a plan for national control and incorporation of concerns doing an interstate business, and the Republican national platform of 1912 also in a plank especially recommended the creation of a commission with somewhat the powers that are contained in this bill. I insert the plank of the Republican platform, as follows:

FEDERAL TRADE COMMISSION.

In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein, there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts. This will promote promptness in the administration of the laws and avoid delays and technicalities incident to court procedure.

The Republican platform went a little beyond the provisions of this measure in evidently intending some administrative

sections in the bill. The Republicans of the committee did not feel authorized at this time to strongly insist upon any such concrete provisions, much as some believed in their efficacy and necessity. We could all agree upon a commission which should have the most ample power to require reports, conduct investigations, secure publicity, assist the courts, give information, and study and recommend suitable legislation.

Attorney General Wickersham, as the gentleman from Maryland [Mr. COVINGTON] has stated, in his report for 1912 recommended some phases of this bill which have been most valuable, and the report of the Senate Committee on Interstate Commerce in 1911 outlined the substance of this measure, which met general acceptance. There is nothing novel or startling here, but it is the beginning of a most beneficent plan for the real relief of the business affairs of this country if it shall be established and administered in the spirit with which your committee has reported it to you.

As the Republican members of the committee stated in their minority report:

For many years all legislation in this committee has been considered upon its merits, without regard to partisan lines or influences. The subject matter of this bill was recommended to Congress by the President and has been properly made a matter of importance by the present administration. The Republican members of the committee realized the great interest in it by the business organizations and thoughtful citizens interested in the public welfare, as well as its consequence and opportunity for good to the people of the country. Thus its consideration has proceeded with a sincere desire on our part to assist in the preparation of the legislation along the lines which would seem to meet both the public expectations and necessities, and yet not be oppressive so as to injure individual effort and initiative.

The majority members of the committee have freely conferred with the members of the minority and have received their cordial cooperation in the formulation of this measure. The legislation as reported is such in general as we approve, although individual differences necessarily exist as to the wisdom and scope of some of its provisions and details.

So that the minority members of the Committee on Interstate and Foreign Commerce were very glad to cooperate with our friends of the majority in the framing of this legislation, and especially those of us who were on the subcommittee, the gentleman from Wisconsin [Mr. ESCH] and the gentleman from California [Mr. J. R. KNOWLAND], are very glad to state to the House that our ideas and theories and our services were very courteously received, and that we did cooperate very sincerely in the framing of this measure, and are very glad to support it as a general proposition. There may be some details, as we stated in our report, which we may call to the attention of the House, but as a general proposition we are very glad to cooperate and support it. But there is another suggestion which should be had in mind—not only is this along the line of Republican suggestions and of true Republican doctrine, but we realize that our Democratic brethren have a right to borrow from our stock whatever they may think of value. We can not complain if we would at this administration taking possession of our property. Not so very long ago some of our Republican administrations had been accustomed to abstract some of the treasures of your Democratic platforms without any especial credit for it, and we turned them to our advantage without any thanks to you. So turn about is fair play. [Applause.]

SUPERVISES METHODS.

The particular reason why this measure should be considered at this time is this: This bill supervises the mechanism and the methods of trade, the movement of goods or commodities, from the man who produces to the man who consumes them. This mechanism and these methods and these commercial processes are the very essence of trade. This exchange is the essence of material civilization itself by which men get along one with the other and assist each other in human progress. The various appurtenances of such trade and exchange have been under supervision and regulation for years by the National and State Governments. Transportation has been regulated by the Interstate Commerce Commission, finance is now regulated by the Treasury reserve board, and for years past the Treasury Department, in a way, through its internal revenue has regulated many other business activities. Then we have our food and drug acts, those regulating the weights and measures, and many other activities, incidents, or appurtenances of commerce have been regulated or supervised by the National Government. But this measure reaches to commerce itself, to its machinery and methods and processes by which it exists and flourishes and confers its inestimable blessings, or, on the other hand, is misused for purposes of extortion and oppression.

Other nations have done this before us, and have had some similar supervisory authority and have established administrative bodies to correct admitted evils and oppressions in the domain of commerce. Some of the States also have done this, as has been very thoroughly shown by the Committee on the Ju-

diciary in their collection of statutes of States and foreign nations. So that it is now incumbent upon the National Government to do its share for the enlightenment and protection of our trade and people in interstate and foreign commerce, embracing a large majority of such activities in the daily life of our Nation.

PRESENT NECESSITY.

The necessity is now pressing. Our people now number nearly 100,000,000, and are the most active and aggressive in the world. They have become educated and broadened so that their desires and necessities have increased in a vastly greater ratio than their numbers. Our means of communication and transportation have developed so very rapidly that our domestic commerce is equal to the foreign commerce of the whole globe. The inventions used and practiced in the arts and sciences have multiplied infinitely with the last generation. Our matchless resources have been developed so tremendously that gigantic organizations have seemed necessary to profitably, or at least adequately, carry on the business affairs growing out of such stupendous growth, to supply the wants and necessities and possibilities of our people. Vast wealth has been accumulated, especially in the hands of a few, irresponsible except to their own consciences and sense of justice and patriotism, and these powers have become so concentrated and involved that disentanglement is extremely difficult.

From this situation the great mass of our people have a very just apprehension that this wealth, and power growing out of it, may be not only used to the detriment but also may be a potential source of injury and oppression.

Nobody is particularly blamable for this condition. It has been a necessary coincident with the tremendous growth of our country and its business affairs.

The National and State Governments have fostered these processes and yet have not sought to adequately curb the abuses. This measure should be an intelligent beginning.

It is time that we knew exactly what the facts are and have the machinery to keep in touch and step with any future development, so that there may be considered and formulated the proper public measures for protecting our people and the general business interests of the country, because we conceive that business itself needs such information and protection equally with the mass of the people.

Most citizens are patriotic, honest, fair, and broad-minded, and desirous of doing right. But we all realize that there must be a few irresponsible, greedy, unscrupulous, and capable men who will use all of these vast agencies for their own selfish ends. This necessarily compels their competitors to adopt somewhat similar means in order to maintain themselves. So that unless some higher power, like the Government, intervenes and protects and encourages the good citizens, oppression and disaster necessarily result.

This bill does exactly those two things. It furnishes a means of information for the people, the business interests, and the Government and its officials; and, secondly, it outlines as clearly as may be legislation for administrative guidance and assistance wherever it may be found necessary.

PROTECTS INSTITUTIONS.

Mr. Chairman, this bill may delve even deeper than merely such guidance and assistance.

The very foundation of our institutions may be protected by a measure of this kind. Republican institutions, free institutions, can only exist where the people are intelligent, self-controlled, satisfied that they are having a fair chance in life, devoted to our institutions, and fairly well contented with existing conditions and prospects for the future. Unless these conditions do exist, the people do not and can not believe in their institutions and the Government based on them. Unless they do, free institutions can not last. We know that there is a spirit of unrest abroad. We know that there is a prevalent dissatisfaction with existing conditions and prospects for the future at the hands of the responsible servants of the people. The people have the right to look to us to ascertain what evils there really are and what remedies may be necessary, and at the same time preserve the inestimable blessings of our system of government and the wonderful efficiency and progress of our business affairs. This measure, by furnishing a medium for acquiring the information which has been outlined so ably and comprehensively by the gentleman from Maryland [Mr. Covington], by opening the avenues for guidance and assistance, by outlining opportunities for cooperation, by regulating the efficiency of our organizations and institutions so that the people can get the benefit of that efficiency, can maintain a prosperity for the masses of our people, can assure them that their Government continues for their benefit, can assure stability and harmony and in such way conduce to the general satisfaction with

our institutions. This may be only a dream, but it is one of the possibilities of hope, latent in this apparently simple measure.

ECONOMIC STUDIES.

This commission, established by this bill, must undertake in the near future some lines of research of inestimable value to our people and their business methods. If most of us thought that this measure would remain as it now stands, as a finality, I have no doubt that none of us would approve it, because the Bureau of Corporations could be extended to accomplish the express requirements of this bill. We believe that it is to be the beginning of something which will work out for the lasting benefit of the American people, and that it must lead the way with intelligence, sincerity, and a patriotic and practical broad-mindedness in setting forth some solutions of our troublesome, intricate, and possibly dangerous social and economic problems. We realize that we have a most complex political and industrial organism, probably the most complex in the world, to carry on the most intricate and tremendous daily business of our people, and that this commission will touch the nerve center of this great complex national structure. We realize there are vast economic and social forces constantly changing conditions, as the material and human bases change. What can this commission do to enlighten and lead us as to them? To me it would seem that this commission must undertake at once two classes of investigations and studies: First, what must be done with the economic, social, and political situations in this country as regulated by the Sherman antitrust law; and, secondly, whether the best way to handle this complex corporate situation must or not be through direct national control by a national act of incorporation for concerns doing such a business. First, as to the Sherman antitrust law, I think we all realize the fundamental soundness of it and that it is probably the best drafted statute designed to accomplish the contemplated results which has ever been placed upon our statute books.

SHERMAN ANTITRUST LAW.

The general beneficent purposes of it must not be abandoned and should not be radically changed. But this commission can profitably consider whether something can be worked out for the benefit of the whole people which should increase the general national efficiency as well as more surely provide for improved protection and justice. But the basis of the statute must continue, as its fundamental principle for centuries have, as the foundation for the well-being and well-doing of our citizenship and their material industry. In its form the Sherman antitrust law can not be well improved.

It is comprehensive; it is clear; and, considering its scope, it is strong and certain when one understands its history and its construction and interpretation by the thorough analysis of our courts for nearly a quarter of a century. No one can question but that it has been of inestimable benefit to our people, and that it has saved us from great evils. Some of these conditions yet exist, and will always exist so long as does human nature, with its greed, ambitions, and infirmities. So that the strong, restraining force of such a law is clearly necessary to protect the welfare and opportunities of the mass of the people. Yet at the same time there have arisen social and economic questions in consequence of such a statute which now thrust themselves upon us and we must heed them. Testimony has come before your Committee on Interstate and Foreign Commerce and the Judiciary that there is an economic side to these regulatory measures which is pressing upon us. Any comprehensive, repressive statute like the Sherman antitrust law may not be entirely economic in all of the operations, and in many instances it may be construed to impede the necessary progress or diminish the necessary rights and privileges of our people and their daily business. So that one of the first things which this commission must investigate and report to us is what, if anything, should be done concerning a modification of the Sherman antitrust law. Let me illustrate some of the ramifications which have appeared in the discussions before our committee and, I think, before the Committee on the Judiciary, as I have examined their hearings.

MODIFICATIONS.

The leaders of labor claim that their natural, God-given right to cooperate for their mutual protection and benefit is practically taken away from them, as this act has been construed. They claim, and justly, that such cooperation is necessary for their protection and that of society, and so demand that they shall be exempt from the operations of the Sherman antitrust law. Every patriotic citizen desires the best possible opportunity for the wageworkers of this country to cooperate for their own welfare. They do not desire and no one desires for them that such organizations shall be used oppressively to the great mass of the people. So the proper modification should be care-

fully investigated, to encourage necessary protection and yet not allow oppression. The farmers and the agricultural organizations also insist that they shall be exempt for the reason that it is necessary for their welfare and the general welfare of this country that they should cooperate to get their products to market properly and to the best advantage of all. The retail organizations of this country appeared before us, and I think also before the Committee on the Judiciary, and asked that they be allowed to have a modification of the Sherman antitrust law so that they can make trade agreements and maintain themselves in competition with the chain stores and the department stores and the other organizations which are slowly crushing the independent retailers and smaller merchants of the country. The druggists and grocers and other organizations of that kind made very impressive arguments as to why they too should be allowed to have some trade agreements.

Certain classes of manufacturers producing specialties presented reasons why they should have a right to make trade agreements to maintain the quality of their goods and maintain equal prices to consumers everywhere and at all times, so that everybody should be assured of equal treatment in the use of their products. The exporters also appeared and showed the necessity of maintaining suitable and adequate organizations and utilize trade agreements as to our export trade, so that our people and our exporters could compete on equal terms with those of other nations in the markets of the world. Other nations strongly and efficiently assist their export trade in many ways. This Nation can not afford to lag behind, and our exporters insisted that something must be done to give them the right standing and proper governmental protection in competition with foreign concerns, which are encouraged by their Governments to make any sort of combinations and agreements necessary to secure the world's business. These conditions are entirely different in this struggle for foreign business than as to our domestic affairs.

We have had experience among the users of water power, who insist that they must also have some modification of the economic principle of the Sherman antitrust law, that our great water powers should be developed economically, so that capital can be persuaded to invest and utilize our natural resources for the benefit of our people. We were shown that unless this can be done it will be impossible to secure capital and economically utilize this most important and valuable natural resource.

The producers of coal and lumber made very impressive statements to your committees, showing that because of excessive competition and inability to make proper trade agreements large waste was necessary in both lines of industry; that in order to cheapen production under such stress of competition a considerable portion of coal and lumber could not be profitably taken from the mines or forest and marketed to advantage. If trade agreements could be had under proper supervision, this waste could be avoided and there would be large savings of our natural products, with the resultant benefits to our people by preserving a considerable portion of our natural resources. An estimate of some of the coal miners was in many localities that nearly one-half of the possible production was wasted in this way, which could be saved by proper trade agreements. This is of immense importance, as we all realize. We know that public carriers are forbidden to make trade agreements, and yet are practically obliged to maintain the same schedules of rates in traffic, which must be just and reasonable for all, between competing points, in order to avoid rate wars, which were not only the ruin of the carriers but also were of the greatest injury to the affected communities.

You will realize that these are very serious economic questions, which must be considered by this commission at once, but not too hastily, as they touch the very foundation of our business affairs. You can realize from this slight summary that this is only a beginning of a tremendously important work for this commission for the people of this country.

NATIONAL INCORPORATION.

Then there is another branch of the problem which must be studied: What is the effect of the diverse incorporation laws of our States in working out the business welfare of this country and the control of the evil practices? Shall there be allowed to continue the present system by which the States have the sole right to incorporate and prescribe the powers and limits of corporate activities, with the temptation, for the sake of getting some local business, to encourage the use of too ample and diversified corporate powers; or should there be a national incorporation law so that the Nation itself can control its interstate and foreign business as best suited to a nation's welfare? The powers and limits of incorporation may be the very basis for wrongdoing or of successful conduct of business. What

would be the best policy for the control of these great business concerns having in view the interests and welfare of the whole people? My own judgment is clear that the national authority is necessary and that we should have an affirmative action or pressure upon them, rather than to rely and exercise only a negative control by means of rigid and often uneconomic prohibitions. This can be worked out intelligently and, I believe, acceptably by such a trade commission.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Illinois?

Mr. STEVENS of Minnesota. Certainly.

Mr. MADDEN. Would that require a constitutional amendment?

Mr. STEVENS of Minnesota. I think not.

Mr. MADDEN. Would the National Government have the right to take away the power of the States?

Mr. STEVENS of Minnesota. No; not take away the power of the States, but just give permissive authority to the business interests to incorporate where the National Government has such special jurisdiction as it has over interstate and foreign commerce. I think there can be no doubt about that.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Georgia?

Mr. STEVENS of Minnesota. With pleasure.

Mr. BARTLETT. Can the gentleman tell us what rights have not been taken away from the States?

Mr. STEVENS of Minnesota. I agree with the gentleman from Georgia in his suggestion, but I do not care to discuss that question at this time. The most of them that have been taken away have been recently taken away by the gentleman's own side of the House. [Laughter on the Republican side.]

Mr. BARTLETT. I realize that there are getting to be more State-rights Republicans than there remain State-rights Democrats. [Laughter.] Will the gentleman permit another question?

Mr. STEVENS of Minnesota. Certainly.

Mr. BARTLETT. The gentleman referred to the Sherman antitrust law and its power and efficiency. Is it not a fact that in the judicial history of that law there has never come before the courts a case of alleged violation of the antitrust law to be considered where the law has not been maintained and where the corporation has not been decided against? Is not that true, except in the Knight case?

Mr. STEVENS of Minnesota. Yes; except in the Knight case.

Mr. BARTLETT. And that went off on a question of jurisdiction and not upon a question of law.

Mr. STEVENS of Minnesota. Yes. If the pleadings had been properly framed it probably would have been decided differently. At least that is the general expression.

Mr. BARTLETT. So that this law that has been for 24 years on the statute books has, during its 20 years in the courts, been established as an effective weapon in the hands of the courts and in the hands of the people for upholding the principles embodied in that antitrust law?

Mr. STEVENS of Minnesota. There can be no question about that.

Mr. BARTLETT. So that does not the gentleman think—I think so myself—that we ought to be exceedingly careful, after that law has been thus administered and thus interpreted and thus construed, how we venture upon new and untried fields, where the courts must again enter upon a domain of investigation and decision?

Mr. STEVENS of Minnesota. I am very glad that the gentleman has called attention to that situation, because it is exactly what the committee had in mind and I was trying to state. I have called the attention of this committee to some of the phases of our commercial activity that do necessitate examination by the commission. But we are confronted with these economic and social considerations. We realize there may be too rigid prohibitions against cooperation, which may result in injustice to labor and producers and waste and inefficiency in other lines of production. No one desires that. We realize it will not do to allow the bars again to be thrown down and all sorts of combinations and agreements allowed to be made and flourish. Now, what can we do in the general interest and for the general welfare of the whole people, to allow such cooperation as shall preserve the good without encouraging the bad elements of society, and what sort of restriction must we have for the bad which will not at the same time repress and eliminate the good? That is exactly the problem which must be put before such a commission at the outset. It must find some method of separating the sheep from the goats. Negative pro-

hibitory legislation has not proved effective or satisfactory. Affirmative legislation may be worse unless framed with the utmost care, intelligence, fairness, and patriotism.

I believe this commission should blaze the way for such a consummation. That is my chief hope and desire in the formulation of this measure.

At the same time I realize fully the tremendous force of what the gentleman from Georgia [Mr. BARTLETT] has just stated. There should not be any modification of the exceedingly effective Sherman law, until after the right kind of a commission had investigated the whole situation with the utmost care and indicated what could be done and what bounds should be set to any modification, because I think we all agree that the welfare of our people requires that the general principles of the Sherman law must be maintained; and if any modification is made, we must determine what can be done, and an adequate administrative authority must be created to supervise and regulate those who might operate under them.

Mr. BARTLETT. And that is in the interest of the people and not in the interest of the corporations.

Mr. STEVENS of Minnesota. This must all be done with an eye single to the welfare of the people, and not in the interest of anyone who may desire these modifications. That has been the difficulty in all of this class of legislation. We have heard from those whose personal interests lie in making these modifications. We should have the experienced judgment of an expert body as to the effect on the people at large of any proposed change before we could adopt it. I believe such to be necessary, and I am glad of this suggestion of the gentleman from Georgia.

Mr. BARTLETT. And the course which the gentleman suggests is not a course that is in the interest of the corporations, but in the interest of the people themselves. Having found a good law, and it being enforced, we ought to be careful not to change it in such a way as to make it less effectual.

Mr. STEVENS of Minnesota. No change ought to be made unless it is clearly shown to be in the interest of the people and clearly regulated, so that we may be sure it is within the proper bounds and in the public interest. My own idea is that not only must an expert commission study and outline first the changes which could and should be made in the interest of the whole people, and not merely those who ask for it, but there must be some restrictions and limitations and administrative supervision in the interest of the people before we can safely make any changes. What these must be should be carefully worked out in advance and the consequences realized before we leap.

Congress and its committees have not the information or the time or the environment to properly do this. We should have at hand the best possible official advice, assistance, and cooperation and then know that the duties we prescribe will be properly performed. This is too serious a matter for us to go aflight without consideration. It is easy to promise the interested parties, and be a good fellow, and let down the bars to all who clamor to be exempt from the rigid requirements of the Sherman law; but it seems to me a patriotic duty upon us, as the representatives of the whole people, to insist upon intelligent and conscientious study, discussion, and protection to the great mass of the people before we make any serious changes.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. STEVENS of Minnesota. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. Do I understand the gentleman that the question whether the Sherman law should be modified with respect to these matters of which he has spoken will be a part of the work of the commission?

Mr. STEVENS of Minnesota. Yes; in the line of investigation of the work of corporations and the processes of corporate activities and practices.

Mr. GREEN of Iowa. Do I understand the gentleman further that the bill now before us provides for that?

Mr. STEVENS of Minnesota. Practically; yes.

Mr. MONTAGUE. It provides for investigation and reports.

Mr. STEVENS of Minnesota. Yes.

The CHAIRMAN. The gentleman from Minnesota [Mr. STEVENS] has consumed 20 minutes.

Mr. STEVENS of Minnesota. I will be obliged to the Chairman if he will call my attention when I have consumed five minutes more.

The Interstate Trade Commission will have plenary power to investigate under the acts now existing as to the Bureau of Corporations. It can obtain any sort of information it may find necessary under that section. But it can also obtain any sort of information under section 9 which annual or special reports can furnish, and it is granted the right to have expert assistance within or without the governmental service to pursue this line

of research and study and recommendation. All branches of the Government can contribute to its tasks. The Interstate Commerce Commission can enlighten as to the effect and the problems of transportation; the Treasury and its agencies as to the financial situation and as to corporations. The Department of Commerce can assist as to statistics and whatever may be necessary as to the machinery of commerce. The Departments of Interior, Agriculture, Labor, Post Office, and Justice can all assist, and outside experts can be made available. Thus the machinery and means for a proper study of these most important subjects have been provided in this measure, and this commission directs them all to do it. It must be done, and now is the opportunity to have it properly done.

Mr. BARTLETT. Under section 17, which specifically gives this commission the power, and requires them also to report, it is provided that the report shall also include recommendations as to such additional legislation as the commission may deem advisable.

Mr. STEVENS of Minnesota. Yes. It is perfectly clear that the real object of this commission is to study these economic questions and the incidental questions which grow out of them, such as the relative efficiency between big business and little business, between cooperation, combination, and competition, if there can be any differentiation in the studies as to these methods. The Bureau of Corporations is already studying these subjects. They are being discussed all over the country, and have been discussed more or less before our committee. But this new commission will undoubtedly discuss and consider them at an early date and give whatever information it can to assist us and the people in working out their industrial salvation.

There has been set forth more or less in various discussions the different views as to competition and cooperation and combination in preserving industrial activities. The commission will be obliged to investigate and consider those phases of our industrial situation; not to lay down any hard and fast rules, because that is the one thing we do not desire to have done, but to present the various phases of the question to the public and to Congress, so that the industrial classes of this country and the business classes of this country can know what is the exact situation—what is proposed and best to do, how it would work and how to protect themselves—and if legislation shall be necessary, then enlighten Congress exactly as to what ought to be done and what would be the probable results of our action. Especially, as I have said before, would it be necessary to establish suitable administrative and supervisory machinery to insure the proper results for the people.

Mr. METZ. In connection with section 2, on page 3, among other detailed matters, you provide that the expenses of members of the commission and employees shall be paid.

Mr. STEVENS of Minnesota. Yes.

Mr. METZ. In a recent appropriation bill we limited the expenses for officials of the Government to \$5 a day. Take, for instance, the Board of General Appraisers. They are limited to that amount. Now, how will this commission stand in regard to that?

Mr. STEVENS of Minnesota. I presume it would come under the general law.

Mr. METZ. These men have to go all over the country, from here to San Francisco, and it is out of the question that they should be expected to travel and pay hotel expenses on \$4 or \$5 a day. It is a good thing to have that in mind in connection with this commission.

Mr. STEVENS of Minnesota. I am glad that the gentleman from New York has called that to our minds. I presume such an act would apply, and it might be burdensome. There is one thing to be also considered, and that is that it is extremely difficult to frame this sort of legislation in a satisfactory way if, at present, it contains any substantial or affirmative provisions. With all due respect to two eminent gentlemen who have delivered messages on this subject, the present Chief Executive and the one who preceded him, it is comparatively easy to prepare and read delightful messages on broad economic subjects from that desk. We all enjoy them and profit exceedingly from them. But it is a mighty different proposition to sit at a committee table and frame a bill which shall adequately meet the situations outlined in those messages.

There have been various criticisms of Congress in the public press and on the floor, that we are only rubber stamping the will of the Executive. I wish to say about the formulation of this measure that it was really perfected by the Committee on Interstate and Foreign Commerce, with all of its defects and all of its virtues. The subcommittee worked for weeks, and we received less assistance from the executive departments in formulating this measure than as to any great measure I have

known to come from that committee during my service of 12 years on the committee. [Applause.]

At one time I thought the executive departments had been somewhat remiss in extending their assistance, and I criticized them for not doing what I thought they ought to do to further assist the committee and the subcommittee in the formulation of the various intricate provisions of the measure. I realize that they desired to assist us, but they did not desire to press too vigorously their views upon us, but as requested they rendered all the assistance they could.

OBJECTIONS.

Now, there are two classes of objections to this bill which have been outlined so very ably by the gentleman from Maryland—one class, who think that we have not done enough, and the other class, who think that we have done too much.

As to the first, those who think we have not done enough, we have only this to say: In the first place, we did not desire to exceed the jurisdiction which the House conferred upon the Committee on Interstate and Foreign Commerce. We realize that the substantial parts of this subject were within the jurisdiction of another committee, and we did not desire to trench upon the prerogatives of any other committee of the House. But especially we did not believe we had sufficient information as to what substantive changes should be placed in a law of this kind until after a most careful and exhaustive investigation by a trained body of experts, such as provided by the bill itself. Such substantive acts would give rise to most important and delicate constitutional, economic, and social questions. So whatever changes should be made in the substantive law should be such as to advance the interests of and protect the people and not lead to uncertainty, harassing regulations, and rigid requirements without beneficial results. We did not think we could do this extremely important and intricate subject the justice it deserved within the limits of our time and information before us. That is one reason, and that is the one reason, we did not go further.

Again we realized, as the gentleman from Maryland stated, that we did not want to cast any cloud, at the present time, over the business affairs of this country. We wanted that this measure should be regarded as an assistance to business affairs, that it should give accurate information and be of genuine help, and for that reason just at this time, Republicans as we are, anxious for our party's success, realizing that the party in power is charged for good and evil, yet we wish to do all within our power to sincerely help the business affairs of this country. [Applause.]

We did not think under the present circumstances it was safe or fair to go any further. We may be obliged to do so before this bill shall be finally enacted.

ADVERSE CRITICISM.

Now as to those who think we have done too much. Undoubtedly you gentlemen have received circulars from the Chamber of Commerce and the Board of Trade and Transportation of the city of New York, two of the greatest commercial organizations in the country, protesting against this sort of legislation. They are eminent and able gentlemen, some of whom have testified before our committee, but they do not seem to realize that the world does move.

Mr. METZ. Will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. METZ. I am a member of the Chamber of Commerce, and I want to say that that bill to which the circular relates was a former bill that was talked about and not the present bill at all. I believe there is no objection to this present measure on the part of anyone.

Mr. STEVENS of Minnesota. I am glad the gentleman has made that statement.

Mr. TALCOTT of New York. I think the gentleman who has been recently elected president of the Chamber of Commerce of New York appeared before the committee and strongly favored the bill.

Mr. STEVENS of Minnesota. Yes; I am glad the gentleman from New York called my attention to the fact. We are anxious to have the business institutions of this country know that we want to do something for their assistance. At the same time we want them to know that there is a responsibility upon them, that it is our business and our duty to locate, that it is our duty to find out, what is going on, and that the people of this country have the right to know about the business affairs of the country which bear upon the general welfare and necessities of our people, and whether or not, on the whole, they are being carried on for the interests of the whole country. That is our business as legislators to properly provide for, as we have done in this legislation. More and more business concerns are being

impressed with a public use and thus come under public scrutiny. Business men must realize that fact and prepare for it. They may not like it, but such a theory is progressive and will be made effective in legislation and adjudication. Then business men and those interested in so-called private corporations must realize this fact and that it will be increasingly the basis of much legislation and public administration in the future. The Supreme Court of the United States and other courts have often laid down the rule that all corporations are created and are allowed to exist and do business primarily for the benefit of the public, and that the profit of the corporators must be secondary. A corporation receives a portion of the public sovereignty for its creation and immunity and privilege. Without such grant of sovereignty it could not exist or move or have any being. This is presumed to be first for the public welfare, as it is and must be; so that it is our duty, in a bill like this, to properly provide for such machinery as will insure the public having its just rights and privileges. This is not with any hostility to corporations, but with a sincere desire to have them properly fulfill the functions of their being, by which they live and flourish.

There is a fear that we have impaired individual initiative and individual rights. We have done the best we could not to infringe upon the provisions of the Constitution of the United States protecting individual rights to our citizens, and especially the provisions of this bill do not interfere with the personal initiative of the citizen.

We realize that the great progress of this country has come from the wonderful personal initiative of the American citizen, and we want that force continued, to increasingly grow, for the general welfare of the people, as well as for the welfare of the individual himself. We realize it has developed our industries, our resources, our people, and made our Nation the wonder of history. We wish to preserve this splendid power which has made the United States what it is. At the same time we want these men who have accomplished so much and are capable of so much to realize that there is a responsibility upon them as American citizens, that they receive a part of the blessings of our institutions, and that they must yield something and do something for the common welfare and not try to grab it all for themselves. It is with that view that we Republicans have approached the consideration of this measure. I believe it has been the right thing to do. We have done it as Representatives of the people of the United States, desirous of assisting in a genuinely constructive measure which should be the basis for the blessings of an industrial, economic, social, and political freedom, advancement, and prosperity for generations to come. [Applause.]

I reserve the balance of my time.

Mr. ADAMSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HULL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15613) to create an Interstate Trade Commission, and had come to no resolution thereon.

SPEAKER PRO TEMPORE FOR TO-NIGHT.

The SPEAKER. The Chair appoints the gentleman from Tennessee, Mr. MOON, to preside as Speaker pro tempore for to-night.

RECESS.

Mr. ADAMSON. Mr. Speaker, is it necessary to make a motion to recess under the rule?

Mr. GARRETT of Tennessee. Mr. Speaker, before the Speaker rules on that, I think I should say that the Committee on Rules deliberately fixed the rule so that the House should take the recess without a motion, and I think the rule is mandatory on the House, just as it is on the Committee of the Whole.

The SPEAKER. The Chair is inclined to believe that is so under the rule, and, in accordance with the resolution, the House will stand in recess until 8 o'clock to-night.

Accordingly (at 5 o'clock and 17 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION.

The recess having expired, the House, at 8 o'clock p. m., resumed its session and was called to order by the Speaker pro tempore [Mr. MOON].

INTERSTATE TRADE COMMISSION.

The SPEAKER pro tempore. Under the rule adopted to-day the House will resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bills referred to in the rule, the particular bill under consideration being H. R. 15613, to create an interstate trade commission, to define its powers and duties, and for other purposes, and the gentleman from Tennessee [Mr. HULL] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15613, with Mr. HULL in the chair.

Mr. ADAMSON. I would like the gentleman from Minnesota [Mr. STEVENS] to proceed if he is so disposed.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Chairman, as some of you know, I am somewhat of an enthusiast in favor of the creation of a Federal trade commission. I have the honor of having introduced into this House the first bill to create a Federal commission with jurisdiction and power over our industrial corporations. That bill was introduced on the 25th of January, 1912. Even in the campaign of 1910 I said in many of my speeches that such a commission should be created. I spent a very considerable time in study and investigation in the preparation of that bill. The number of it is House bill 18711, and it was introduced in the Sixty-second Congress. The bill covers the entire subject, giving the commission very extensive power and jurisdiction.

On the 20th of February, 1912, I delivered in this House a carefully prepared speech giving an outline of the provisions of the bill and strongly urging the necessity of such a commission. So far as I have been able to ascertain, that was the first speech delivered in the House of Representatives advocating the creation of a Federal trade commission. This was before any political party had indorsed the proposition. Since that time the Republican and Progressive Parties have specifically indorsed the proposition in platform declarations, and President Wilson, a Democratic President, has by special message recommended the creation of such a commission. I naturally take some pride in the fact that a measure which I was the first to initiate in this House and which I was the first to openly advocate on the floor of this House has now received the approval of the three great political parties and will no doubt soon be crystallized into law. I expect to vote for this bill. My criticism of the bill is not for what it does contain, but for what it does not contain. In other words, the bill does not give the commission sufficient power to make it a regulative body that will accomplish the best results. In 1912, when the Republican convention met at Chicago, it declared in favor of creating a Federal trade commission. This bill does not go so far as the Republican platform would justify, but I am glad that the Republican Party was the first to declare in favor of a Federal trade commission. But I want to congratulate the Democratic Party on adopting this measure, on assuming the responsibility of its enactment into law; and whether we give this commission at this time extensive power and jurisdiction or not, this measure, in my judgment, will be a landmark in the history of national legislation, and as long as your party shall endure you will refer to the creation of this Federal trade commission as one of the masterpieces of legislation for which your party is entitled to credit. [Applause.]

The Republican platform uses language something like this:

In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts.

That platform does not say there is a little that may be committed to a Federal trade commission. It does not say that there are some things that may be committed to a trade commission, but it says there is "much" that may be committed to a trade commission. The platform further says, "thus placing in the hands of that commission many of the functions now exercised by the courts." The platform says "many functions," not a few functions, but many functions. I have the very highest respect and regard for the Republican members of the Interstate Commerce Committee. I recognize and admire their ability. In no way do I wish to reflect upon their work. But I submit that the power and jurisdiction given the trade commission in this bill is not such as is demanded in the language of the Republican platform.

Mr. J. R. KNOWLAND. Will the gentleman yield for a moment?

Mr. MORGAN of Oklahoma. Certainly.

Mr. J. R. KNOWLAND. My colleague must remember the Republican members on that committee were decidedly in the minority. We were not framing the bill.

Mr. MORGAN of Oklahoma. That point is well taken, and I, of course, feel sure that if the Republican members had been the majority of that committee and had the responsibility of framing this legislation that the commission would have been given much additional power.

A FEDERAL TRADE COMMISSION.

I have prepared a summary of the uses to which a Federal trade commission may be put and the things for which such a commission is needed. This summary is as follows:

1. To aid the courts in the dissolution, disintegration, and reorganization of unlawful corporations.
2. To aid in the enforcement of antitrust laws.
3. To do the work of investigation, recommendation, and publicity now assigned to the Bureau of Corporations.
4. To aid without legal proceedings, but with legal authority, through conference, negotiation, and mediation, in the readjustment of business in harmony with the law.
5. To control the practices and business methods of large industrial corporations.
6. To reinforce, restore, and maintain competition as the chief price regulator, and, if necessary for the public welfare, to exercise a limited direct control over prices.
7. To minimize the power of the large industrial corporation to concentrate wealth, and to maximize its power as an agency for the equitable distribution of wealth.
8. To enable us to secure all the benefits and advantages of the large industrial unit and escape the evils and dangers thereof.
9. To relieve doubt and uncertainty in business, develop trade, encourage commerce, and promote enterprise.
10. To secure labor the highest wage, the largest amount of employment under the most favorable conditions and circumstances.
11. To allay public suspicion and distrust, remove prejudice, and secure the people from unjust tribute levied by monopolistic corporations.
12. To promote industrial peace and thereby contribute to social justice, industrial strength, commercial power, and business prosperity.

Now, I believe that the time has come when the Federal Government should exercise very great control over our large industrial corporations. I listened this afternoon with a great deal of interest and pleasure and with much profit to the speech made by the gentleman from Maryland [Mr. COVINGTON] and to the speech made by the gentleman from Minnesota [Mr. STEVENS], and yet I could not help but feel that they were too conservative, if you will allow that term; that they were not moving up to what the country expected; that they were inclined to postpone and delay and put off any effective action. Now, what is the fact? Nearly 24 years ago the Sherman antitrust law was enacted. What law since that time has been placed upon the statute books that gives to the Federal Government any additional power to control or regulate the practices of our great industrial corporations? Not one. What has been done by Congress in these 24 years to curb the trusts? Nothing. I believe that our courts and our Attorneys General through the various administrations have done the best they could. During all these years concentration has been going on. Our corporations have become larger, our industrial units have become greater. It is true that under the decisions rendered by our Supreme Court some of our largest corporations have been dissolved, but the units into which they have been dissolved are still exceedingly large corporations. Take the American Tobacco Co. One of them has, I think, \$97,000,000 of capital and another \$67,000,000, and so on. The United States Steel Corporation has \$1,400,000,000 of capital. And so we have these great business combinations. Great capital, extensive organization, a large business are not necessarily objectionable. We must have large business concerns to meet commercial conditions. We can not stand still. We must grow; we must look for expansion in the future; we must expect and desire that our business interests shall continue to grow at home and expand abroad; we must have large industrial units to meet and compete with the great business organizations of other countries who are competing with us in our own country and in the markets of the world. So I submit that the chances are that in the future our business organizations must continue large.

Now, I claim, however, that these large business concerns necessarily possess large monopolistic power. I do not believe, with two or three great corporations having capital and wealth beyond the comprehension of man, with their immense business organization extending out into every State and district and

county in the Union, that competition between those concerns means effective competition. And so, according to my theory, it is necessary when the business concern is large to throw around that business power of the Federal Government or else that concern will have large monopolistic power. And I mean by that monopolistic power that it will possess the power which will enable it, in a large degree, to arbitrarily control the prices of its products. So I believe, for the protection of the people, it is necessary that we should have some kind of governmental control that will regulate the practices and business methods of our large industrial concerns. So I am disappointed in this bill that it does not give the commission adequate power. While I earnestly urge that the commission be given largely increased power, I still believe that the commission should be created even if it only has the power as given in this bill, namely, to secure proper reports, annual and otherwise; to assist in the dissolution of corporations; to investigate the violations of the law in specific cases; and the power to follow up the work of the courts and see that these corporations, when dissolved, shall live up to the decree of the courts. All this will be useful and helpful, and I will be glad to see it done.

WEALTH OF OUR CORPORATIONS.

Mr. Chairman, Government reports show that our corporations have \$92,000,000,000 in stocks and bonds. If the great corporations own \$92,000,000,000 worth of stocks and bonds, that must represent half the wealth of this country. The report of the Commissioner of Internal Revenue shows that these corporations upon that \$92,000,000,000 have a net profit of nearly 4 per cent annually. So that a large amount of wealth is in the hands of corporations, and it is centered in large corporations, with the wonderful power of drawing something from every home in the land.

The instrumentalities used in commerce and trade have changed, but our laws have not changed. Interstate business is largely under control of the gigantic business concerns—great corporations—mammoth industrial organizations, wielding incomprehensible power in the business and commercial world. This power under proper control may be used for the glory of our country, or unrestrained it may be used for the exploitation of the public and oppression of the people.

Few people realize to what extent the corporations control the business of this country. Few persons fully comprehend how these great corporations now touch every avenue of trade, commerce, and business, receive tribute from every avocation, calling, and profession of life, and draw support and sustenance from every home and fireside in the land.

The corporations of the country, after deducting all the cost of labor, material, losses, and every other expense, made an annual net profit of \$3,213,247,000. Industrial and manufacturing corporations alone make an annual net profit of \$1,309,819,000. They employ 7,000,000 persons, and their annual products are worth \$21,000,000,000. The corporations of the country, by a conservative estimate, own one-half of the wealth of the Nation. Probably not one-tenth of the people own any interest in these corporations. The corporation is a great business invention which has aided steam and electricity as mighty forces in the production of wealth and in the extension of commerce.

The great problem now before us is to make these corporations better instruments for the equitable distribution of wealth. We have emphasized the problem of producing wealth. The time has come to give greater attention to its proper, fair, and equitable distribution among the great masses of our producers and consumers.

Mr. J. M. C. SMITH. Will the gentleman yield for a question?

Mr. MORGAN of Oklahoma. Certainly.

Mr. J. M. C. SMITH. Would you have the commission given power to regulate the affairs of all corporations?

Mr. MORGAN of Oklahoma. I would not, because I believe it is only large corporations that possess monopolistic power.

Mr. J. M. C. SMITH. At what place would you give them that right—as to the amount of their capital stock or the amount of business done? How would you describe "big business," as you call it?

Mr. MORGAN of Oklahoma. In the bill which I prepared I fixed the limit at concerns which do an annual business to the value of \$5,000,000. I place it upon the amount of business transacted and not on their capital stock.

Mr. J. M. C. SMITH. So that the corporation that did a business of \$4,500,000 would not be controlled, and the one that did a business of \$5,500,000 would be under the control of the Government?

Mr. MORGAN of Oklahoma. If my bill becomes a law, only the large concerns would be subject to its provisions. I would

have no objection to amending it so as to bring in a larger number. But I think it would be unwise to undertake to strictly control small concerns. Monopoly is the evil we wish to control. Competition is the thing we wish to maintain. In the realm of small business, when competition is abundant, there is no demand for Federal control. These may be left to State control.

Mr. WILLIS. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will yield.

Mr. WILLIS. Does not the gentleman admit, then, that this bill, in one respect at least, goes further than his bill? He understands, according to the terms of this bill, by the power of classification, the Interstate Trade Commission will have the authority to regulate and control to some extent the business of a corporation without regard to the capital stock.

Mr. MORGAN of Oklahoma. I doubt the propriety of the commission to do that, although there are some reasons for it, I recognize.

Mr. J. M. C. SMITH. The gentleman is making a very instructive argument, and I would like to inquire of him whether he can tell us how many corporations there are in the United States with a capital stock of \$5,000,000 and over?

Mr. MORGAN of Oklahoma. I will say to the gentleman that there are something like 268,000 corporations, I believe, in the United States, according to the report made by the Commissioner of Internal Revenue. My idea was, as I figured it out, that, measured by their products of \$5,000,000, there would be something like 300 corporations placed under my bill. I think the gentleman from Maryland [Mr. Covington] estimated that there would be something like 1,300 corporations brought under the supervision of the commission by this bill and required to make reports.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Indiana?

Mr. MORGAN of Oklahoma. I will yield to my colleague from Indiana.

Mr. PETERSON. Does the gentleman approve the proposition of classifying—

Mr. ADAMSON. Mr. Chairman, the gentlemen use such soft tones in their conversation that we can not hear them. We know that the gentleman from Ohio [Mr. Willis] can readily be heard with his resonant voice, but we can not hear the other gentlemen. I would like to be able to hear them.

Mr. PETERSON. We have such a modest audience that we thought they ought to be able to hear our modest voices.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 10 minutes.

Mr. MORGAN of Oklahoma. Now I yield to the gentleman.

Mr. PETERSON. I want to know if the gentleman approved the classification that is made in this bill of two classes—one of \$5,000,000 and the other less?

Mr. MORGAN of Oklahoma. I see no serious objection to that provision.

Mr. PETERSON. Is the gentleman aware of the fact that at the time of the supposed dissolution of the Standard Oil Co. its capitalization was \$1,000,000, and that immediately upon the reorganization of one of its subsidiary companies it reorganized with a capitalization of \$30,000,000, and in two years paid a dividend of 750 per cent on \$30,000,000?

Mr. MORGAN of Oklahoma. I was not aware of that.

Mr. PETERSON. In view of that, would you not say it would be more advisable to fix the classification upon the assets of the corporation than on the capitalization?

Mr. MORGAN of Oklahoma. My idea is that it would be better to fix it upon the output, and perhaps the capitalization—both combined.

Mr. TALCOTT of New York. Is it not true that at the time the gentleman from Indiana [Mr. Peterson] speaks the surplus of the Standard Oil Co. was very large?

Mr. PETERSON. It certainly was.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Kentucky?

Mr. MORGAN of Oklahoma. Yes.

Mr. BARKLEY. The gentleman is aware of the fact that this classification would not prevent an investigation, whether the corporation was capitalized at less than \$5,000,000 or over? The commission can make an investigation of corporations of less than \$5,000,000 as well as those with more than \$5,000,000?

Mr. MORGAN of Oklahoma. I believe so. I wanted to give an idea of the way and manner in which we should undertake to control the practices of corporations. Now, it is evidently proper to prohibit a few acts that are well known to be improper. We can make a few prohibitions, but you will never control the large concerns of this country by a few prohibitions, by prohibiting one or two or three or four or five things. In some way you must enact a general law that will include classes of acts which are improper. I have attempted to do this in my bill, and I want to present these provisions in my bill.

FAIR, JUST, AND REASONABLE PRACTICES.

The Federal Government long ago entered upon the policy of controlling the practices of industrial corporations engaged in interstate business. The Sherman antitrust law controls the practices of such corporations. That law forbids the doing of certain things. When we prohibit corporations from doing certain things we thereby assume the right to control the practices and methods of such corporations. So far, however, the law only prohibits certain acts. We have not fixed any standard by which the business methods of such corporations shall be judged. There are those who seem to think that we should confine our legislation to statutory provisions prohibiting industrial corporations from doing this or that thing. It is well enough to prohibit certain acts—to make certain things unlawful—but we should do more than this. We should by law promulgate a rule of business morality, create a standard by which the methods and practices of industrial corporations shall be judged. I have attempted to do this in section 4 of House bill 1890. This section is as follows:

SEC. 4. That every practice, method, means, system, policy, device, scheme, or contrivance used by any corporation subject to the provisions of this act in conducting its business, or in the management, control, regulation, promotion, or extension thereof, shall be just, fair, and reasonable and not contrary to public policy or dangerous to the public welfare, and every corporation subject to the provisions of this act in the conduct of its business is hereby prohibited from engaging in any practice, or from using any means, method, or system, or from pursuing any policy, or from resorting to any device, scheme, or contrivance whatsoever that is unjust, unfair, or unreasonable, or that is contrary to public policy or dangerous to the public welfare, and every act or thing in this section prohibited is hereby declared to be unlawful.

These great business corporations should not be permitted in conducting their business to engage in practices, use methods, or resort to devices that are not just, fair, and reasonable. Big business should have a high standard of business ethics. Whether corporations have souls or not, they should be compelled, in the management of their business and in all means, methods, schemes, devices, and contrivances used for the enlargement and extension of such business to keep clearly within the bounds of the principles of sound morality. While I believe the business of this country is, in general, conducted along lines of high moral principles, Congress might well promulgate a new code of business ethics for the guidance of the managers of the great industrial corporations.

JUST AND FAIR TREATMENT TO THE PUBLIC AND COMPETITORS.

Section 5 of House bill 1890 supplements section 3 in fixing a standard for our industrial corporations to follow in dealing with the public. Think of it. At the present time there is no law except the Sherman Antitrust Act which in any way limits, restricts, regulates, or controls the business methods of industrial corporations. So long as they do not violate some general criminal statute or the provisions of the Sherman antitrust law, corporations may resort to all kinds of acts and practices which are unfair to competitors and inimical to the public. They may, with perfect impunity, treat competitors unfairly and discriminate against localities, and be guilty of all kinds of business immorality. And we are talking about big business—about corporations with immense capital—having a large degree of monopolistic power. Why not enact a statute which will crystallize the sentiment, the judgment, and the conscience of a nation into a rule of action for the guidance of these great business concerns in dealing with competitors and the public? This I have attempted to do in section 5 of my bill, which is as follows:

SEC. 5. That every corporation subject to the provisions of this act shall deal justly and fairly with competitors and the public, and it shall be unlawful for any such corporation to grant to any person or persons any special privilege or advantage which shall be unjust and unfair to others, or unjustly and unreasonably discriminatory against others, or to enter into any special contract, agreement, or arrangement with any person or persons which shall be unjustly and unreasonably discriminatory against others, or which shall give to such person or persons an unfair and unjust advantage over others, or that shall give to the people of any locality or section of the country any unfair, unjust, or unreasonable advantage over the people of any other locality or section of the country, or that shall be contrary to public policy or dangerous to the public welfare, and any and all the acts or things in this section declared to be unlawful are hereby prohibited.

This section is modeled after sections 2 and 3 of the act of February 4, 1887, entitled "An act to regulate commerce" (24 Stat. L., 379). The two sections are as follows:

SEC. 2. That if any common carrier subject to the provisions of this act shall, directly or indirectly, by any special rate, rebate, drawback, or other device, charge, demand, collect, or receive from any person or persons a greater or less compensation for any service rendered, or to be rendered, in the transportation of passengers or property, subject to the provisions of this act, than it charges, demands, collects, or receives from any other person or persons for doing for him or them a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances and conditions, such common carrier shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be unlawful.

SEC. 3. That it shall be unlawful for any common carrier subject to the provisions of this act to make or give any undue or unreasonable preference or advantage to any particular person, company, firm, corporation, or locality, or any particular description of traffic, in any respect whatsoever, or to subject any particular person, company, firm, corporation, or locality, or any particular description of traffic, to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Every common carrier subject to the provisions of this act shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines, and for the receiving, forwarding, and delivering of passengers and property to and from their several lines and those connecting therewith, and shall not discriminate in their rates and charges between such connecting lines.

These provisions in the "act to regulate commerce," with supplemental legislation along the same line, have resulted in driving from the railway transportation business by far the greater part of the practices and methods of railway corporations, about which for a long time there was so much just complaint. There is now little complaint of unfair discrimination as between individuals or sections of the country.

In other words, the provisions in the act creating the Interstate Commerce Commission, which I have quoted, under the administration of the Interstate Commerce Commission, have resulted in the main in giving to the public just and reasonable rates, to individuals and localities equality of charges, and to all impartial privileges and facilities.

May we not fairly conclude that by promulgating similar fundamental rules of action for the guidance of our mammoth industrial corporations, and by creating a like commission to administer and enforce these rules of action, we may expect equally good results upon the methods and practices of our great industrial institutions?

POWER OF COMMISSION TO MAKE REGULATIONS.

One paragraph in section 9 of House bill 1890 is as follows:

The commission is hereby authorized and empowered to make and establish rules and regulations not in conflict with the Constitution and laws of the United States to aid in the administration and enforcement of the provisions of this act, and may, by such rules and regulations, prohibit any particular or specific act or acts, practice, method, system, policy, device, scheme, or contrivance that is contrary to any of the provisions of this act.

Under this provision of the bill the commission not only has power to make rules and regulations to aid in administering and enforcing the provisions of the bill, but may by such rules and regulations prohibit any particular or specific act, practice, method, system, policy, device, scheme, or contrivance which is contrary to any of the provisions of the act.

It will be well for Congress to prohibit any known act or practice hitherto indulged in by corporations, by which the public has suffered, but it is safe to say Congress will cover by enactment only conspicuous abuses. The commission should therefore have power to prohibit by rule things which are contrary to the general rules enunciated by the law. Congress acts with deliberation. It takes time to enact laws. The commission can act quickly. Besides, the corporations may adopt new practices which are offensive. If they are contrary to the broad rules of action, enunciated by the law, the commission may quickly make a rule that will make the practice unlawful.

This is the plan adopted in creating the Interstate Commerce Commission. You may talk about giving this commission power, and you may say there is little power given to the Interstate Commerce Commission. Yet when we created the Interstate Commerce Commission we did declare that the practices and charges of the railroad company should be reasonable. We did declare against discriminations. We did make general rules that should control our transportation corporations thereafter.

Mr. ADAMSON. Mr. Chairman, will the gentleman allow me to make a suggestion?

The CHAIRMAN. Does the gentleman yield?

Mr. MORGAN of Oklahoma. My time is nearly up, but I will yield.

Mr. ADAMSON. I will yield as much time to the gentleman as I take up.

Mr. MORGAN of Oklahoma. I shall be glad to yield

Mr. ADAMSON. The gentleman is aware of the fact that our purpose in the preparation of this bill was to establish an instrumentality, leaving the Congress to enact in the future as many general laws as the wisdom of Congress might dictate. There may be many or there may be few, but such a law as the gentleman suggests or any others may be enacted to be administered through this instrumentality when it is established. Many of them are now pending before our committee. Among them is one to establish a general antifraud law, patterned after the British honest-tradesmen law. That will apply to all frauds practiced in interstate commerce in any line of business. We propose that as one of the laws that should be enacted after this commission bill should be passed. Now, I will ask the gentleman if those suggestions will not help to forward his idea?

Mr. MORGAN of Oklahoma. I think so, and I have not any doubt but what from time to time those things will come and will give the commission additional power; but I think we ought to begin in advance of where you are beginning.

Mr. ADAMSON. If the gentleman will pardon me, I will say that it is not a question of power vested in the commission by this bill. We are establishing it and clothing it with power. It is a different thing from considering what general laws we may enact to be administered. We shall consider those other things apart from the establishment of this commission as an institution and instrumentality.

Mr. MORGAN of Oklahoma. I understand very well; but, as I understand it, the success that has followed the administration of the law which brought the Interstate Commerce Commission into existence has not come by our enactments, except in so far as those enactments have given additional power to that commission.

Mr. ADAMSON. Now, if the gentleman will pardon me, as he has made that analogy, let him follow it. That commission was instituted as an incident to the act to regulate commerce. The law to regulate commerce was first drawn without any proposition in it for a commission. The commission was put in as an incident to it. Then the commission having been established at the same time that the first interstate-commerce act was passed, we have followed that up by the enactment of many laws since that time, and every few years we revise the act to regulate commerce; but it is something distinct from the commission itself. The commission has been instituted, and Congress passes the laws which are enforced by the commission.

Mr. MORGAN of Oklahoma. But here is what you did: In that very act Congress declared general powers and control over the charges and practices of railroad corporations. They said, even in the first act, that if any individual, municipality, or certain public officers of a State made complaint before that commission the offending corporation should be notified and have a hearing, and the commission would then make an order; and thus it became a real, regulative force and power; and it was not so much the law as it was the fact that this great commission had the power to summon the offending railroads before it and give those railroads their orders.

Mr. ADAMSON. And every time in the future when Congress enacts a general law pertinent for this Interstate Trade Commission to administer, that fact will be noted in the law, and the Interstate Trade Commission will be authorized to proceed to execute that act, just as in this case it is authorized to look into existing law.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. ADAMSON. I want to yield to the gentleman three minutes, to make up for the time which I occupied in the interruption.

The CHAIRMAN. The gentleman is recognized for three minutes.

Mr. MORGAN of Oklahoma. Just one more point. I believe that the Attorneys General of previous administrations have exercised, and that the present Attorney General is now exercising, a power and control over the business interests of this country that the Executive ought not to exercise. I believe it is unsafe for an administration in power, an administrative officer representing a great political party, to hold the power of life and death over the great business interests of this country. And instead of giving additional power to the Attorney General we should, as the gentleman from Maryland [Mr. COVINGTON] said this afternoon, create a great, independent, non-partisan commission, independent of the President, independent of Cabinet officers, removed so far as possible from partisan politics, that would command the respect and confidence of all parties and of all the people of the Nation. It never was intended that the Attorney General should have great business concerns come to his office and negotiate from time to time upon what conditions they shall do business. The committee,

in their report on this bill, quote from what Attorney General Harmon said, I believe in 1896, in substance that he believed the proper course for the Attorney General is to work in the courts, that the Attorney General should not be an investigating committee, that such work ought to be left to an independent source; and yet we are multiplying our laws, we are adding additional statutes, we are prohibiting this and that, thus throwing upon the Attorney General more work, more power over business, offering greater temptation to use this power in aid of a political administration. What I say is not particularly applicable to the present Attorney General or the administration in power. Whatever we do in regulating business should be removed as far as possible from political influence.

It will be far safer to place this power in the hands of a great independent commission that will go on while administrations may change. That is one reason why I believe in having all these matters placed, so far as they can be, in the hands of a commission, taking these business matters out of politics. I believe that the great masses of the business interests of this country are in favor, not of a commission to investigate, but of a trade commission with power to give orders, with power to advise, with power to confer, with power to mediate, with power to direct the honest business interests of this country along the right pathway. I believe the hearings before the committee showed that to be what business men want and what consumers and producers want. I certainly should regret to have any vote that I cast here injure the business interests of this country; but I believe that legislation along this line is for business peace. I believe it will contribute to business prosperity; I believe that it will be for the benefit of the whole country. [Applause.]

WEALTH AND POWER OF CORPORATIONS.

In closing let me say that many of our industrial corporations are, in fact, though not in the eye of the law, public agencies, institutions that are impressed with a public use, and are in truth and in reality quasi-public corporations. We must in some way make a distinction between the gigantic corporations possessing large monopolistic power, and controlling the manufacture, sale, and distribution of the necessities of life, and the great majority of the smaller corporations which possess little, if any, monopolistic power, and which are in no way in a position to impose any great burdens upon the people through excessive prices. Out of nearly 300,000 industrial corporations in the United States perhaps 300 to 500 would cover all the industrial corporations which really possess such monopolistic power as to be able to injure any great part of the public through the possession of monopolistic powers. Let us separate the sheep from the goats. Let free competition, untrammelled by governmental control, reign among our lamblike industrial corporations, but let us bring all other corporations under the yoke of governmental control.

The great corporations largely control the productive forces of our country. The wealth produced naturally flows into the corporations. As I have already pointed out, measured by the stocks and bonds they have issued, our corporations own \$92,000,000,000 of our national wealth. This is more than double the \$41,000,000,000 at which all our farms and farm property is valued. Seventy-two billion dollars of wealth is owned by two classes of our corporations—that is, transportation and communication corporations and manufacturing corporations.

The census of 1910 shows that one-third of our manufacturing establishments employ 90 per cent of the 7,000,000 wage earners in these establishments and produce 95 per cent of all our manufactured products. In round numbers, 10 per cent of our manufacturing establishments employ three-fourths of the labor in such establishments and produce four-fifths of the product.

One per cent of our manufacturing establishments employ one-third of the labor, and produce nearly one-half of our manufactured products.

I do not believe in Government control of private business. I do not believe that would ever be necessary. All progress would cease if we should destroy the incentive for individual initiation, for individual effort and energy. But corporations are artificial persons. When they attain a certain size, and acquire large control over the production of a product in common use, they cease to be strictly private concerns. They have become impressed with the public use, they have become public agencies and quasi-public corporations, and as such should be placed under the supervision and control of our Federal Government.

Mr. STEVENS of Minnesota. Mr. Chairman, with the permission of the gentleman from Georgia [Mr. ADAMSON], I will

yield such time as he may desire to the gentleman from California [Mr. J. R. KNOWLAND].

The CHAIRMAN. The gentleman from California [Mr. J. R. KNOWLAND] is recognized for such time as he may desire.

Mr. J. R. KNOWLAND. Mr. Chairman, after the very able presentation of the provisions of this bill this afternoon by the gentleman from Maryland [Mr. COVINGTON] and the gentleman from Minnesota [Mr. STEVENS], my colleagues on the subcommittee which framed this bill, I do not feel that I should consume much time this evening in a discussion of the merits of the measure. I happen to be the only member of the Committee on Interstate and Foreign Commerce who is not of the legal profession, and I might say that that accounts, of course, for the even-balanced legislation which so frequently emanates from that committee. [Laughter.]

I shall support this bill. It is perhaps the first recommendation of President Wilson during this session of Congress that I have been able to support. [Applause on the Democratic side.] I support it also because it is in conformity with, as has already been stated, a plank in the Republican national platform, and I might add parenthetically that we Republicans believe that our party declarations "are not molasses to catch flies," and always endeavor to live up to our party platforms. We do not seek excuses for repudiating party planks. I do not go quite so far as the illustrious Secretary of State, who declares that a man who violates the party platform is a criminal, but I do contend, like the Speaker of this House, that a party platform means something.

The gentleman from Minnesota [Mr. STEVENS] this afternoon made reference to the trade-commission plank of the Republican platform of 1912, but he did not read it. In view of the fact that reference has also been made to it this evening, I think it might be well for me to read it into the RECORD:

In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts. This will promote promptness in the administration of the laws, and avoid delays and technicalities incident to court procedure.

A reading of this declaration discloses that the pending bill does not go quite as far as the plank in the Republican national platform, but it is in harmony with the spirit of that plank, and being in harmony with the spirit of the plank, as a Republican, I certainly feel bound to support the bill now before us.

The Democratic Party has announced a very ambitious program along the line of antitrust legislation. I do not pose as a prophet, but I want to make the prediction that this will be the only bill of the group that will become a law during the present session of Congress. Well-posted Democrats believe this, although they can not so publicly state. The others will probably pass the House, but will never be acted upon by the Senate. If this be true, and only the pending bill becomes a law, as I have predicted, in my judgment we will have a measure that will be welcomed, not only by the people generally, but will meet with the approval of every honest business man throughout the United States, and I speak from the standpoint of a business man. The other bills contain much of merit but need amendment.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

Mr. J. R. KNOWLAND. I will.

Mr. ADAMSON. I wish to congratulate the country on the prospect of the gentleman from California coming to the Senate and improving the expedition of that dignified body in the near future. [Applause.]

Mr. J. R. KNOWLAND. I thank the distinguished Democrat, the gentleman from Georgia, for that kind reference and indorsement, for it may prove very serviceable in the coming campaign. [Laughter.]

One of the best provisions in this bill is that providing for publicity. Many of us realize the fact that in many instances business concerns resort to certain doubtful practices because followed by their competitors, but if they knew that these practices had to be reported to a commission, and that the commission had the power to give the facts to the public, it would prove a very potent deterrent.

It is true, as already stated, we had before our committee numerous witnesses, many of whose names are known throughout the length and breadth of the country—the Hon. Seth Low; Herbert Knox Smith, former Commissioner of Corporations; the president of the University of Wisconsin, Dr. Van Hise; and others whose names are as familiar to the people of this country. They practically all favored a measure along these lines. Some would go further than the committee saw fit to go, and others would not go quite as far. But, in my judgment, this conservative measure can not be objected to by anyone

who conducts an honest business. It is not so radical as to disturb business conditions, which everyone realizes are far from satisfactory throughout the country.

Our Democratic friends are boasting of their achievements since they assumed control of every branch of the Government. They boast particularly of having forced through their tariff bill, in whose wake they promised would come prosperity and reduced cost of living. No one can be found who has located that prosperity, and every housewife in the Nation knows that the cost of living has been soaring under this beneficent Democratic tariff.

Briefly, the bill provides for the appointment of an interstate trade commission, to be composed of three commissioners to be appointed by the President and confirmed by the Senate. Not more than two of the commissioners shall be members of the same political party. The commissioners shall receive a salary of \$10,000 a year. Upon the organization of the commission all existing powers, authority, and duties of the Bureau of Corporations and of the Commissioner of Corporations are to be vested in the commission. When directed by the President, the several departments and bureaus of the Government shall furnish the commission, upon its request, all records, papers, and information in their possession relating to any corporation, subject to any of the provisions of the act.

It appears that in time past there have been jealousies in various departments and bureaus, and at times it was difficult to obtain information from one department of great value to another in work of investigation.

Under the further provisions of the bill every corporation engaged in commerce, excepting corporations subject to the acts to regulate commerce, which, by itself or with one or more other corporations owned, operated, controlled, or organized in conjunction with it so as to constitute substantially a business unit, has a capital of not less than \$5,000,000, or, having a less capital, belongs to a class of corporations which the commission may designate, shall furnish annually to the commission such information, statements, and records of its organization, bondholders, stockholders, and financial condition, and also such information, statements, and records of its relation to other corporations, and its business and practices while engaged in commerce as the commission shall require. The commission may also prescribe a uniform system of annual reports, containing all the required information and statistics for the period of 12 months ending with the fiscal year of each corporation's report, and they shall be made out under oath or otherwise and filed with the commission at its office at Washington within three months after the close of the year for which the report is made, unless additional time be granted. The commission may also require such special reports as it may deem advisable.

Penalties are provided for failure to file said annual reports. A fine of \$100 for each and every day that the corporation shall be in default is provided.

Facts relating to any alleged violations of the antitrust laws by any corporation shall be investigated by the commission upon the direction of the President, the Attorney General, or either House of Congress.

The commission in its report may include recommendations for readjustment of business in order that the corporation investigated may thereafter conduct its business in accordance with law. Reports made after investigation under this particular section may be made public in the discretion of the commission.

It was anticipated that in the course of investigations made by this commission information might be obtained concerning certain unfair competition or practices not necessarily constituting a violation of existing law, and that when such practices were disclosed report shall be made to the President to aid him in recommendations to Congress for legislation.

Any person under the act who willfully makes a false entry or statement in any report submitted shall be guilty of a misdemeanor, and upon conviction subject to a fine of not more than \$5,000 or to imprisonment for not more than three years, or both fine and imprisonment.

Annual report shall be made to Congress by the commission, which will furnish facts and statistics of value in the determination of questions connected with the conduct of commerce of corporations. The reports shall also include recommendations as to additional legislation deemed necessary.

Provision is made for the safeguarding of all trade secrets and private lists of customers.

These in brief are the provisions of the pending bill. Personally I believe this bill should be passed and the law accorded a fair trial and that it will work out satisfactorily. It is far better to enact a measure of this kind, conservatively drafted, than to attempt more radical legislation.

Those of us who have been Members of this body for a number of years know that the interstate-commerce law is an evolution. It began with a basis such as we have in the pending bill, and as it was tried out and the necessities arose the commission came to Congress and additional powers were asked for, and Congress responded in nearly every instance. This bill will furnish a basis. If it is found not to be sufficiently comprehensive, if it needs to be made more drastic, the commission can come to Congress and ask for legislation, and I have always found in my experience here that this body is responsive to any legitimate request from any bureau or department of this Government. I hope that the Republican side of the House will support the measure. Let us give it a fair trial. If it is found that we should go further and enact legislation more in line with the Republican platform, it will not be unlikely that we as Republicans will then be in a better position to formulate such legislation. [Applause.]

Mr. ADAMSON. Has the gentleman from Minnesota any speaker that he can yield to at the present time?

Mr. STEVENS of Minnesota. Yes; but I thought the gentleman from Georgia was to yield to some one.

Mr. ADAMSON. I am considerably ahead in time so far. If the gentleman has no other speaker, there is one that we own jointly, who is to divide his time between the two sides.

Mr. STEVENS of Minnesota. Perhaps our colleague from New Hampshire [Mr. STEVENS] should be recognized. I yield the gentleman 15 minutes.

Mr. ADAMSON. If he is ready, I think he ought to go ahead; and I yield him 15 minutes, so he must treat the two sides fairly. [Laughter.]

[Mr. STEVENS of New Hampshire addressed the committee. See Appendix.]

Mr. FESS. Will the gentleman yield there?

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. FESS. I hope the gentleman from Minnesota will give the gentleman from New Hampshire a little more time.

Mr. STEVENS of Minnesota. I can not. My time is all promised. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. HINEBAUGH].

The CHAIRMAN. The gentleman from Illinois [Mr. HINEBAUGH] is recognized for 20 minutes.

Mr. HINEBAUGH. Mr. Chairman and gentlemen, I think possibly I ought to say that I shall probably vote for all three of these bills [applause], although I sincerely hope that at least two of them will be amended.

Mr. Chairman, three great problems confronted the Democratic administration when it rubbed its eyes after a profound sleep of 16 years and awoke to the startling fact that somehow and through some kind of ledgerdemain, it had been intrusted with power, and correspondingly burdened with responsibility. The effect was not unlike that which amazed and dumfounded Rip Van Winkle when he awoke from his long sleep. The Democratic Party had served a useful purpose as a party of opposition for a good many years, but they had threatened to shoot for such a long, long time that when the actual command was given to fire it is not at all surprising that they missed the mark at which they had been aiming since the days of Grover Cleveland.

Please do not misunderstand me, gentlemen. I do not mean to say that the Democrats are not full of good intentions, for that they certainly are; but you know Shakespeare tells us that hades is completely paved with the same thing. But be that as it may, we must admit that under the able leadership of President Wilson and the courteous, broad-minded gentleman from Alabama [Mr. UNDERWOOD], they went at their job tooth and toe nails. They were so anxious to swat the robber tariff of the standpat Republicans that they locked the doors of the Democratic caucus room so tight that even a Progressive Member of the House could not peep in and see what they were doing, much less were we allowed to give any advice, notwithstanding the well-known fact that we represent the second party in numerical strength and importance in the Nation. And right at this point, Mr. Chairman, the Democrats fell down. For had they invited the Progressives into their caucus and listened to our counsels, the Republican calamity howlers and the Democratic prosperity shouters would not now be straining their vocal cords and bursting their lungs to tell the country what it already knows much better than they possibly can know, while the Sergeant at Arms continues to hand them their pay checks.

In spite of all this, our little band of Progressives has enjoyed many a drowsy, sleepy hour while you have been at this

job, as though your political lives were about to be demanded by the people, evidently not knowing that the day has gone by when you can fool the people with the tariff as a political issue. The people intend to remove the tariff from politics in 1916 and make it what every honest man knows it always has been—a purely local, economic, business question. They intend to do this by entrusting the Progressive Party with power to do the things for which it stands and in which a large majority of the people believe. When that glad time comes, and come it surely will, there will be no more wholesale tinkering with the tariff. A scientific expert tariff commission, with full and complete information, will handle the tariff, item by item, as conditions warrant, and business will no longer be disturbed by a long period of waiting and uncertainty.

The Democratic Party, after gumming up the tariff machinery of the country with a too liberal application of their revenue tariff oil, applied at random and without intelligent consideration as to just what parts of the tariff machine needed their kind of oil; after doing all that by main force, they plunged recklessly into the field of banking and currency reform. The Republican Party, after its palsied efforts at currency legislation, is now estopped from making any noise about the Democratic policy and could only say in sorrowful accents, "You are stealing our Aldrich plan." It must be admitted, however, that some of their progressively inclined members voted right, after the Progressives in the House had assisted the Democrats in framing a fairly good law. If the Democratic majority had been wise enough to accept half the suggestions and amendments offered by the Progressives the result would have been much better and the question finally settled for many years to come. But here, again, Mr. Speaker, the Democrats apparently refused to be guided by the Progressives, although they are indebted to us for their fleeting tenure of office, and for a second time during their administration dashed from their lips the cup of future success.

And now the Democratic Party enters upon the consideration of the third, last, and most important of the three gigantic issues with which they had to deal, namely, the trusts. [Applause.] How do they approach this great question? In their Baltimore platform they said:

A private monopoly is indefensible and intolerable.

Just here I wish to remind the Democratic Party that Mr. Taft in 1909 said:

The woolen and cotton schedules in the Republican tariff bill are indefensible and intolerable.

Yet he subsequently signed the Aldrich tariff bill, and still later attempted to defend it. Beware, my Democratic brethren, or history will repeat itself. In your Baltimore platform you also said:

We demand the enactment of such legislation as may be deemed necessary to make it impossible for a private monopoly to exist in the United States.

Is your program of antitrust legislation so far-reaching?

What else did you say? You said:

We condemn the action of the Republican administration in compromising with the Standard Oil and the Tobacco Trusts.

Again I say, beware, or your Attorney General will compromise you with his reorganization agreements as a cure-all for the wrongs which you have pledged the people to right.

It does not, however, lie in the mouth of any Republican to criticize the Democratic program on trust legislation. With your hats off, clothed in sackcloth and ashes, you Republicans should approach this subject keeping step to the funeral march of lost opportunity, and with bowed heads and contrite hearts you should repeat in low and mournful tones the words of that sad, yet beautiful, poem entitled "Opportunity":

Master of human destinies am I!
Fame, love, and fortune on my footsteps wait.
Cities and fields I walk; I penetrate
Deserts and seas remote, and passing by
Hovel and mart and palace, soon or late
I knock unbidden once at every gate!
If sleeping, wake; if feasting, rise before
I turn away. It is the hour of fate,
And they who follow me reach every state
Mortals desire and conquer every foe
Save death; but those who doubt or hesitate
Condemned to failure, penury, and woe
Seek me in vain and uselessly implore.
I answer not, and I return no more!

"If sleeping, wake." You certainly were sleeping, lulled to rest by an unseen power. "If feasting, rise before I turn away." Oh, the irony of fate! You surely were feasting, and upon such meat, furnished by the invisible government, that your stomachs were gorged and your brains dazed; so dazed that President Roosevelt was compelled to lash you unmercifully

with the whip of public sentiment in order to secure the passage of the Hepburn railroad bill, now unanimously acknowledged to be a righteous law. You were asleep on the Constitution, and when prodded into wakefulness you would rouse up and mumble plethorically: "It can't be done. It can't be done. It's unconstitutional." You had 16 years of continuous uninterrupted opportunity to respond to an insistent public demand on this great question and you failed and refused to grasp the opportunity, but with an air of supercilious nonchalance you adopted the slogan "The people be damned." And now the people have condemned you to failure and woe, and though you seek them in vain and uselessly implore, they answer not and will return to you no more. [Applause.]

Ah, yes; you agreed with a great captain of industry who loudly proclaimed the doctrine that you "can not unscramble eggs." Nevertheless you have lived to see the son of that same man come into camp and lay down his arms at the feet of Woodrow Wilson.

The father said, "The public be damned; you can not unscramble eggs." But in less than five years the son proceeds, apparently at least, to unscramble the eggs, and resigns from the directorate of more than 30 corporations in response, as he declares, to a righteous public sentiment which has recently been strongly against the old system of interlocking directorates.

Shortly after the J. P. Morgan Co. had announced its supposed surrender to public sentiment on the subject of interlocking directorates I introduced House resolution 364, which reads as follows:

Whereas it has been reported in the press of the country that the financial world was "startled to its depths" by the announcement of Mr. J. P. Morgan that the firm of J. P. Morgan & Co. had resigned from the directorates of some 30 corporations, among which are the following: New York Central & Hudson River Railroad Co., Lake Shore & Michigan Southern Railway, and the Michigan Central Railroad Co.; and

Whereas Mr. Morgan is reported as saying that these resignations were made possible by the change in public sentiment, which has recently been strongly against the old system of interlocking directorates; and

Whereas the New York Central system, through its board of interlocking directors, controls the Lake Shore & Michigan Southern Railway and also the Michigan Central Railroad Co.; and

Whereas the New York Central owns and controls 80 per cent of the stock of the Michigan Central Railroad Co. and 90 per cent of the stock of the Lake Shore & Michigan Southern Railway; and

Whereas the board of directors of the New York Central system is composed of the following 13 men: William K. Vanderbilt, Marvin Hewitt, W. K. Vanderbilt, Jr., George S. Bowdin, William H. Newman, Chauncey M. Depew, Frederick W. Vanderbilt, William C. Brown, Louis Cass Ledyard, James Stillman, William Rockefeller, J. P. Morgan, and George F. Baker; and

Whereas these 13 men hold 112 separate and distinct positions as directors in the New York Central, Michigan Central, Lake Shore & Michigan Southern, and other subsidiary lines; and

Whereas interlocking stock control confers all the powers which actually come from interlocking directorships; and

Whereas under the present system there is no honest competition between parallel railroad lines; and

Whereas the only purpose of legislation prohibiting interlocking directorates is to bring about a healthy and honest competition in the interest of the public between these great transportation companies: Therefore be it

Resolved, That the Interstate Commerce Commission be, and it is hereby, directed to investigate and report to this House—

(a) The relations of railroad companies forming the so-called New York Central system and its subsidiary lines.

(b) The influence, if any, of the interlocking directorates of the New York Central system, including the Michigan Central Railroad Co. and the Lake Shore & Michigan Southern Railway, upon railroad costs, service, and rates.

(c) The influence and effect, if any, of interlocking stock control upon railroad costs, service, and rates, as applied to the New York Central system and its subsidiary lines, including the Michigan Central Railroad Co. and the Lake Shore & Michigan Southern Railway.

My purpose in asking the House to direct the Interstate Commerce Commission to investigate and report to Congress the influence and effect of interlocking directorates upon railroad costs, service, and rates was to ascertain the true conditions and the actual effect, if any, upon railroad costs, service, and rates of interlocking directorates, and because I believed then and still believe that interlocking directorates is but one of the many symptoms of a disease which lies far deeper, and because I believed then and believe now that the dissolution of interlocking directorates will by no means remedy the evils of our present system. Such an investigation by the Interstate Commerce Commission and such a report would have furnished to the Congress an excellent foundation upon which proper legislation could have been framed to remedy existing evils.

Mr. Chairman, it does not require an expert to understand that where a majority of the stock of a railroad corporation or any other corporation is divided between two or more different corporations conducting the same line of business or traversing the same territory a gentleman's agreement to harmonize action is very likely to result.

Any physician will tell you that to cure a disease you must treat more than one of the symptoms.

A law which prohibits interlocking directorates will not reach the bottom if railroads or other corporations are permitted to own or control the stock of an actual or possible competitor. Perhaps the most efficient vehicle used by naturally competing railroad lines for the purpose of hoodwinking the public is the holding company. The Pennsylvania Co. is an excellent illustration. It does not actually own a mile of railroad track and yet operates the Pennsylvania Railroad Co. and all of its leased and controlled subsidiary lines west of Pittsburgh.

The friends of the holding company tell us the only purpose of such an organization is to hold the securities of railroad companies, and that such companies are very desirable as a means of equalizing the risks of investments for small stockholders. Whether or not that contention is true, it must nevertheless be admitted that the tremendous power of the holding company for centralizing and concentrating control renders it a dangerous and most undesirable part of the present system. Everybody knows that the policy of a railroad corporation is not determined by the bondholders, but by the stockholders. The stockholders alone have the right and the power, generally speaking, to vote, and a majority of the stock determines the right of control. There may be, and doubtless are, many instances where the stock of a corporation is held by 10,000 stockholders and among those 10,000 one stockholder owning 5 per cent of the entire stock. Does anyone doubt that this one man could determine the policy of his company against the combined position of all the rest of the stockholders?

The control of stock gives the power to name the board of directors, and the board of directors determines the course a railroad is to pursue in its business policy. The general effect of such a system can be seen in controlled traffic and the power to determine the earnings of the various lines operated by the system.

For many years the Republican Party, which placed the Sherman antitrust law upon the statute books of the Nation, was urged to make that law more effective, and by amendment or supplementary legislation to define more clearly its true meaning, in order that the business man engaged in interstate commerce might certainly know when his acts were in violation of law. The Republican Party refused to create an interstate trade commission and to strengthen the Sherman law by an act to prevent unfair competition. Through all these years the Republican Party insisted that the Sherman law was all sufficient to protect commerce against monopolies, when, as a matter of fact, the apparent effect of the Sherman law was to hasten the concentration of industry by driving the trust organization to the holding company and from that to complete merger of naturally competitive lines of business. This, of course, was exactly the opposite result from that which was intended by the framers of the Sherman law.

In spite of all this, a condition of lethargy seems to have settled down upon the Republican Party. They refused to keep step to the progress of the age, and went out of power forever, the victim of lost opportunity.

THE DEMOCRATIC PLAN.

The Democratic plan in dealing with this great question is founded upon the declaration in their platform that private monopoly is indefensible and intolerable. And now for the third and last time the Progressive Members of this House respectfully call the attention of the Democratic majority to the three bills introduced by the Progressive leader, the gentleman from Kansas [Mr. Murdock], on the 17th day of last November, covering this most important subject.

These measures were introduced for the purpose of carrying into effect the declarations in the National Progressive platform adopted in Chicago August 7, 1912. In that platform we declared for a strong national regulation of interstate corporations, and to that end for the establishment of a strong Federal administrative commission of high standing, which shall maintain permanent, active supervision over industrial corporations engaged in interstate commerce, or such of them as are of public importance, doing for them what the Government now does for the national banks, and what is now done for the railroads by the Interstate Commerce Commission. We declared that—

Such a commission must enforce the complete publicity of those corporate transactions which are of public interest; must attack unfair competition, false capitalization, special privilege; and, by continuous trained watchfulness, guard and keep open equally to all the highways of American commerce. Thus the business man will have certain knowledge of the law and will be able to conduct his business easily and in conformity therewith, the investor will find security for his capital, dividends will be rendered more certain, and the savings of the people will be drawn naturally and safely into the channels of trade. Under such a system of constructive regulation legitimate business, freed from confusion, uncertainty, and fruitless litigation, will develop

normally in response to the energy and enterprise of the American business man.

Our first bill intended to carry into effect our platform pledges provides for the creation of an interstate trade commission, empowering such commission to require from all corporations subject to its jurisdiction information as to their organization, conduct, management, security holders, financial condition, and business transactions, in such degree and in such form as the commission may require; and to require from such corporations access at all reasonable times to their records, books, accounts, papers, and all other documents including the records of any of their committees; to point out and make public from time to time, in such form as in the discretion of the commission best advances fair, honest, and efficient business, all cases of material overcapitalization, unfair competition, misrepresentation, or oppressive use of credit of which any corporation may have been guilty, and present such case to the Attorney General for prosecution.

Our second bill is intended to prohibit and prevent unfair competition, and empowers and directs the interstate trade commission to prevent all corporations subject to its jurisdiction from engaging in or practicing unfair or oppressive competition in relation to the acceptance or procurement of rates or terms of service from common carriers not granted to other shippers under like conditions; prevents discrimination in selling prices, as between localities or individuals, which is not justified by differences in cost of distribution; prohibits the making of oppressive, exclusive contracts for the sale of articles of which the seller has a substantial monopoly; prevents the maintenance of secret subsidiaries or secretly controlled agencies, held out as independent of the corporation and used for the purpose of unfair competition; prevents the destruction of competition through the use of interlocking directorates; and any other business practices involving unfair or oppressive competition.

The third bill empowers the interstate trade commission, upon its own initiative or upon the complaint of any corporation or person, to investigate the organization, conduct, and management of any corporation subject to its jurisdiction for the purpose of determining whether such corporation exercises a substantial, monopolistic power in any industry in which said corporation is engaged; and empowers and directs the commission to determine by investigation whether such monopolistic power is based upon:

- a. Control of natural resources,
- b. Control of terminal or transportation facilities,
- c. Control of financial resources,

or any other economic condition inherent in the character of the industry.

These bills, if enacted into law, would remedy the evils of which we now complain, and would result in the immediate dissolution of the New York Central, New Haven, Pennsylvania, Baltimore & Ohio, Erie, and Chesapeake & Ohio, the six great railroad systems covering the eastern part of the United States which now own and control 57 railroads through intercorporate or individual ownership of stock. The necessity for drastic legislation which will prohibit the use of transportation companies for stock-jobbing purposes must be admitted by all who have given the subject careful consideration.

The St. Louis & San Francisco Railroad system was placed in the hands of a receiver last June because of its alleged inability to take up \$2,500,000 of its 5 per cent notes. Investigation of the Frisco system developed some startling facts. It had an authorized capital of \$200,000,000; its total paid-up stock was \$40,000,000; its total bond issue, \$320,000,000; the gross earnings of the system for the year 1912, \$42,000,000; its net earnings only \$12,000,000. It had sold within three years \$72,000,000 worth of bonds, and within six months of the time application was made for a receiver these stock-jobbing pirates, under the leadership of B. F. Yoakum, had unloaded \$26,000,000 of bonds in France, and in spite of all of this were unable to meet obligations amounting to only \$2,500,000. The Interstate Commerce Commission, by its investigation, developed the amazing fact that over \$40,000,000 had been pocketed by these financial sharks before they took the initial steps to bring about a reorganization of the company. Upon the heels of the Frisco receivership came the New Haven slaughter, very properly called by Senator NORRIS "its twin in infamy," through which millions of dollars were taken from more than 10,000 people, among whom were many widows and orphans.

Mr. Chairman, the evil practices which resulted in the wreck of these two railroad systems and the consequent financial ruin of thousands of their stockholders will never be stopped by the creation of a trade commission such as is proposed by our Democratic brethren. Why, even the New York World, which cer-

tainly can not be accused of any affection for the Progressive Party, in a recent editorial said:

President Wilson's trade commission is no more like the Roosevelt Progressive commission than the Constitution of the United States is like the code of Napoleon.

The real distinction between the proposed Democratic legislation on trusts and that proposed by the Progressive Party may be very well illustrated by comparing the interstate trade commission bill of the Democratic Party with the trade commission proposed by the Progressives.

The only purpose which the Democratic interstate trade commission will serve is that of news gathering for the courts and for Congress. Why should you limit the powers of your commission purely to matters of investigation if you really mean business? You got your idea of a trade commission from the Progressive platform, just as you did the presidential preference primary law. Why do not you put teeth into the trade commission by adopting our plan to define and punish violations of the law? Why do not you give your trade commission power to prevent unfair competition? When an unfair practice or violation of the law has been established by the commission, why not give that same body power to punish and prevent a repetition? The people are looking for results.

What do our Democratic brethren hope to accomplish by the enactment into law of House bill 15657, which is to be supplementary to existing laws against unlawful restraints and monopolies, after defining commerce as trade among the several States and with foreign nations and the word "person" or "persons" as including corporations and associations existing under the laws of the United States? Our Democratic friends fall into the old trap of technical legal construction, which usually renders nugatory almost any punitive statute.

Section 2 provides that any person engaged in commerce who shall, directly or indirectly, discriminate in price between different purchasers of commodities in the same or different sections of the country, providing such commodities are sold for use, consumption, or resale within the United States, or anywhere under the jurisdiction of the United States, shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not exceeding \$5,000 or imprisoned not exceeding one year, or both, in the discretion of the court—and then they provide the joker—the discrimination in price must be made "with the purpose or intent to thereby destroy or wrongfully injure the business of a competitor." In other words, the person injured must prove intent to wrongfully injure him—a thing practically impossible to accomplish. Under this section it would be practically impossible for the Government to secure a conviction.

It is provided in section 3 that the owner, operator, or person controlling the product of any mine engaged in selling its products to commerce shall not refuse arbitrarily to sell such product to any responsible person, firm, or corporation who wishes to purchase for use, consumption, or resale within the United States. Here again the Government must show, when undertaking to enforce this law, that the refusal was an arbitrary refusal.

Perhaps the most glaring example of insincerity in this entire bill is to be found in sections 8 and 9, in relation to intercorporate stock control of naturally competitive railroad lines and the prohibition of interlocking directors of banks and other corporations.

Section 8 prohibits corporations engaged in commerce from acquiring, directly or indirectly, the whole or any part of the stock or share capital of another corporation engaged in commerce (where the effect of such acquisition would eliminate, or substantially eliminate, competition between such corporations), and it further provides in the same section that "no corporation shall acquire, directly or indirectly, the whole or any part of the stock of two or more corporations engaged in commerce, where the effect of such acquisition or the use of such stock by the voting or granting of proxies would eliminate or substantially lessen competition between such corporations;" and then provides that the section shall not apply to corporations purchasing such stock solely for investment.

It does not require the learning of a lawyer to perceive that the Government must be able to prove that the acquisition of such stock would actually lessen substantially the competition between the corporations. It is not enough for the Government to show that such intercorporate stock control affects or lessens competition between the corporations, but it must also be shown that it substantially affects such competition. Do you imagine that with the shrewd railroad manipulator on the other side the Government could ever prove such a case? Why not take the bull by the horns and absolutely prohibit intercorporate stock ownership or control?

This section was doubtless intended to abolish the holding company. Why then nullify its effect by providing that nothing contained in the section shall prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business and that no railroad company shall be prohibited from extending any of its lines by the acquisition of stock or otherwise of any other railroad company when there is no substantial competition between such companies? The effect of such provisions is simply to invite an evasion of the very purpose of the law.

If you hope to accomplish real results, my Democratic friends, you must not only stop the practice of interlocking directorates, you must prohibit stock watering, voting trusts, holding companies, intercorporate stock control, individual interlocking stock control of naturally competing railroads and other lines of business, and, above all, there must be a complete and drastic reformation of the laws under which insolvent railroads and other industrial corporations are now permitted to affect a reorganization.

Mr. Chairman, I am firmly convinced that this character of legislation will never be enacted under our present system of secret caucus and executive committee session, under cover of which the property power in politics can wield such a tremendous influence without showing its hand. All men in public life know that up to 1907 the special interests politically had been on the defensive. Their determination to prevent legislation in the interest of the people was their chief purpose. Since that time, however, they have made an aggressive fight for legislation intended to multiply and perpetuate their advantages over the people.

Firmly entrenched behind high-tariff walls, as they have been for years, the special interests in politics had been content to grow through combinations of corporations, through holding companies and mergers, until in the year 1908 this monster of monopoly had a capitalization of \$31,672,160,754, more than half of which was water. Then it was that they boldly entered the arena of legislation for the purpose of legalizing their watered stocks and compelling the people to pay dividends on their fictitious billions. This inhuman monster absolutely controls the market prices of everything the farmer sells, of everything the consumer buys, and in addition it controls transportation, manufacture, mining, capital, and credit. Under its deadly influence the Senate of Seward, Sumner, and Clay became the Senate of Foraker, Guggenheim, and Lorimer.

The decision of the special interests to compel the people to pay dividends on \$15,000,000,000 of water had much to do with the high cost of living. It is now a well-known fact that this tremendous power was delighted with the Aldrich currency scheme, the Payne-Aldrich tariff law, the Taft-Wickersham railroad bill, and Canadian reciprocity. During this period Aldrich was supreme in the Senate by means of the closed committee and secret caucus. His control of the machinery of legislation was absolute, as was that of Cannon in the House.

The Progressives maintain that every standing committee shall be compelled to keep a record of its action; that the executive session shall be a thing of the dark and devious past; that there shall be no back doors to the Senate or the House; that the secret party caucus must be abolished; and that the business of the people must be transacted in the open.

Mr. Chairman, this evolution and revolution can never be realized by either the Democratic or Republican Party. They are both firmly embedded in the traditions and methods of the past.

A new party, free and untrammelled, clean, strong, and responsive to the new thought of the age, unembarrassed by traditions, unfettered by the system, must and will take up the people's cause and carry it forward to final triumph. [Applause.]

Mr. ADAMSON. Mr. Chairman, I confess that I do not often acknowledge a wrong, and when I do I am sorry for it. I am sorry I did the gentleman from Illinois the injustice to insist that he was not speaking on the subject. I overlooked the fact that he opened his able oration by saying that he was going to vote for the bill. I think that overbalances anything he could say against the bill, and I confess that I made a mistake, and I will not do it again. [Laughter and applause.] I would like very much to introduce to the committee the brilliant young Member from Missouri, the baby of our committee. He is a lusty infant, making progress rapidly. The older Members will have to look to their laurels or he will distance them. I now yield to the able, eloquent, and indefatigably industrious gentleman from Missouri, Mr. DECKER.

[Mr. DECKER addressed the committee. See Appendix.]

Mr. ADAMSON. Mr. Chairman, I hope the gentleman from Minnesota will use some time now.

Mr. STEVENS of Minnesota. I yield to the gentleman from Ohio [Mr. Fess].

Mr. FESS. Mr. Chairman, I do not rise to reply to my friend from Missouri [Mr. DECKER], for I appreciate very much most of what he said. I can not agree entirely with all that he said, for I take from his arguments that trusts and monopolies are fostered almost entirely by a protective tariff.

Mr. DECKER. Will the gentleman yield?

Mr. FESS. I will.

Mr. DECKER. I did not wish to convey that impression. I realize that there are other causes of trusts besides the tariff.

Mr. FESS. I am glad to hear that statement, because I do not want to direct my thought in that line, and I would be compelled to do so if that was his utterance.

I arise to state why I am going to support this measure. [Applause.] One distinguished publicist of our country expressed the genius of American movement industrially by announcing that equal opportunity in the rivalry of life is the distinguishing principle of activity, and anything that will interfere with this equal opportunity for you or me to rival one another in the pursuit of happiness ought to be subject to legislation. I have stood as an advocate of the principle that in trade natural law should be allowed to take its own course, unless there would be evils to grow out of it; that individual effort should be, as much as possible, unrestrained. But if individual effort interferes with public welfare, it must be regulated. And you can see that evils do grow out of trade taking its natural course, and, therefore, legal enactment must come in to interfere somewhat with the natural course. Once it was said that competition was the life of trade, and that statement stood as an industrial aphorism for years. Later on people said that in this keen, unlimited, unrestricted competition, competition becomes the dearth of trade, or the death of trade; and many of our authors point to incidents of paralleling of railroads, where one railroad almost entirely kills the prosperity of another, and therefore, they said, instead of competition being the life of trade it has come to be the death of trade. These two statements might be taken as the utterances of two schools of industrialism. I do not put it that way, but I express it in this way, that where combination is possible competition is impossible. In other words, combination is the refuge of those who seek to avert the evils of competition. And I announce it as a fundamental principle that where competing firms, represented by individual units, each one with its complete organization, are competing against one another these competing firms will continue in competition just so long as they can not combine, and the moment they can combine they will do so to avoid the necessity to compete.

Here in one section of the country is a unit in steel railway production; yonder in another part of the country is a second unit; here in another part is a third unit. Throughout the United States there are 200 units. They recognize that each unit has its own individual organization, which entails great expense. Each had to have its president and its directorate; each had to have provisions for its overhead charges, each one maintaining for itself an expensive organization. These companies came to the conclusion that they could supersede these 200 separate organizations by one corporation by a combination. They could have one organization, one president, and one directorate, and they could in this way reduce expenses, cut off needless expenditures, reduce prices, and increase profits; but by so doing competition would cease because combination became possible. In this way the United States Steel Corporation was organized. You have the Standard Oil Corporation, but not quite analogous, as it grew by its ability to prevent much competition. You have the American Tobacco Corporation, the Whisky Trust, the Salt Trust, the Shippers' Trust, and numerous other trusts throughout the country made up of combinations, because these could supersede competition. Wherever competitors became strong, a remedy was sought in combination. This is not due to tariff legislation; it is due to a law of trade.

Now, I had believed that so long as you could maintain competition without any interference at all with the rights of the people, probably it would be better to stand by the natural law and obey the dictates of President Jefferson when he said, "The best government is the one that governs the least."

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANTOR. I ask that the gentleman's time be extended, Mr. Chairman.

The CHAIRMAN. The request is not in order, under the rule. Mr. STEVENS of Minnesota. I yield five minutes more to the gentleman from Ohio [Mr. Fess].

Mr. FESS. I want to thank the gentleman in charge of the time and the Members of the House. I am speaking somewhat extemporaneously on a theme that I have thought a great deal about. And this is the proposition that I was about to announce: That, other things being equal, I would prefer the Government keep its hands off of the laws of trade. The modern tendencies of industry point to combination rather than competition. It finds its best expression in the term "big business." This tendency of the hour is the result of newer methods of business. It has called into being the famous organizations of enterprise and has brought to light the new captains of industry. The modern method of doing business will perhaps prove its worth by continuing its processes, for we will hardly go back to primitive methods. I think no one desires to return to the stagecoach; all prefer the modern twentieth century train.

But when it comes to the point where business interferes with the pursuit of happiness, by allowing individual or corporate property to interfere with public welfare or with the right of accumulating property for the purpose of the general welfare, as well as for individual profit, then the law must step in to either correct the wrong or prevent a repetition of it, or both. That would be legitimate. In the last 20 years we have seen the steps leading to the present business organization. First the pools, then the combination, then the holding company, and later the complete merger. We have noticed individual entities growing to such fabulous dimensions that you and I and many thoughtful citizens have become alarmed. I confess, as a citizen of this Republic, that when I realize how much wealth has come into the possession of an individual I am alarmed. I do not know how much the distinguished financier whose name is so frequently mentioned is worth, but it has been stated that he is worth at least \$900,000,000. If that be true, it is simply bewildering. Nobody can comprehend it. Suppose that Adam, 6,000 years ago, had come into the world upon a salary of \$100,000 a year, and suppose that he had not spent a single dollar of it—

Mr. CANTOR. On clothes [laughter]—

Mr. FESS. Suppose that he had saved \$100,000 a year for 6,000 years. He would not now be worth more than two-thirds of what at least one American citizen is supposed to be worth. It would require \$50,000 a year for 6,000 years for Eve's salary [laughter], added to Adam's, to make \$900,000,000. [Laughter and applause.]

I tell you, my friends, when a statement of that kind can be made, that in a single lifetime a man who is still living, starting with nothing, as a poor boy, has accumulated beyond the most fanciful dreams of the wildest imagination; this wizard in finance comes to the point where he is worth such a fabulous sum, one must tremble at the thought of the possibilities involved. He might be a saint, and I am the last man to rise on the floor of this House and say unkind, cruel, and ugly words against anybody because he might possess wealth; but I say that the very fact that any one man has such tremendous power, financially, though he be an angel, makes me tremble, for I think what he might do with it for the injury of his fellow men if he wanted to use it in that way.

Mr. ADAMSON. If the gentleman will yield to me, I will give him a minute of time.

Mr. FESS. Very well.

Mr. ADAMSON. I want to say that on Saturday testimony was submitted to our committee that the profits of a pipe-line oil company in one year were 2,900 per cent on a capitalization of \$1,000,000, and the next year they made 84 per cent profit on the \$30,000,000.

Mr. FESS. Now, Mr. Chairman, when such a statement as that made by the distinguished chairman of the Committee on Interstate and Foreign Commerce is before us, I am of opinion that this Congress has the right to legislate in those matters. Therefore I believe that it opens a legitimate field of legislation. In such a case corrective legislation, though restrictive, is wise.

Mr. ADAMSON. Our committee is going after that proposition right now.

Mr. FESS. I believe that while we may see some danger in passing over to the proposed trade commission certain power, yet I believe that this trade-commission bill is merely supplemental; it adds to the laws that we now have. It does not interfere with their effectiveness, but rather assists, as I see it. It is an additional step toward doing what we have not been able to do thus far. I will say that, and if it is any honor to the Democratic membership of this House I, as a Republican, say it with congratulation to your side of the House. [Applause on the Democratic side.] And when I say it I trust that the Democratic membership of this House will also be willing to say that the Sherman antitrust law, a Republican measure, while it has been in some respects ineffective, has had a good effect

on the whole, and has been a step in the right direction also. [Applause.]

I would hate to see the Sherman law repudiated. I would not want to subtract from it. Upon it has been built a body of decisions which are most valuable to the Nation. I would like to define it and make it clear, so that business men and business concerns may know whether they are within its requirements or without; and then I would like to add to the Sherman law a regulatory power that would make it possible for the commission to meet a single situation or individual incident where it is a violation of the Sherman antitrust law, that power being directed without throwing the country into an uproar by bringing it up here in the House or in the Senate. This commission can thus perform the function of a corrective without disturbing all business. That is why I have always been in favor of adjusting the tariff by a commission, rather than by bringing it before the Congress. While my Democratic friends do not agree with that, I believe that ultimately they will come to that position [applause] for the same reason they now endorse this Republican idea of an interstate trade commission.

I said a moment ago the Sherman law had not been effective in all matters, yet a glance at the history of its operations is sufficient to convince an unbiased citizen of the salutary influence on the country.

During the administration of Harrison 8 cases—5 by the Government and 3 by private parties—were initiated. During Cleveland's second term 18 cases—10 by the Government and 8 by private parties—were prosecuted. During McKinley's administration 17 cases—6 by the Government and 11 by private parties—were prosecuted. During Roosevelt's administration 44 cases were prosecuted. In President Taft's administration the major part of the work of the Department of Justice was taken up by prosecutions under the Sherman law. It would take a very bold man to declare that the Sherman law was a dead letter. On the other hand, the Republican administrations were so active in its enforcement that many good people were led to think the policy of the Government had come to be one of persecution rather than stimulation, of destructive application rather than constructive legislation.

Believing as I do in the principle of cooperation in business and readily seeing the advantage of the modern system of business organization, when kept within the law, I desire to preserve the Sherman law, and am willing to supplement it by a trade commission in line with the recommendation of President Taft and the Republican Party.

Therefore I am going to give my hearty support to this trade commission bill. [Applause.]

Mr. ADAMSON. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Minnesota [Mr. STEVENS] has 55 minutes remaining and the gentleman from Georgia has 66 minutes.

Mr. ADAMSON. Has the gentleman from Minnesota any other speaker?

Mr. STEVENS of Minnesota. Not here. The gentleman from Ohio [Mr. WILLIS] asked for time, but he does not seem to be here.

Mr. ADAMSON. I do not like to lose any time, Mr. Chairman, but although several gentlemen have asked for time no one seems to be ready to occupy the floor at this moment, and so I shall have to move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and Mr. MOON having resumed the chair as Speaker pro tempore, Mr. HULL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes, and had come to no resolution thereon.

ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 20 minutes p. m.) the House adjourned until Wednesday, May 20, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the assistant clerk of the Court of Claims, transmitting findings of fact and conclusions of law in the French spoliation claims relating to the brig *Little Sum*, in the case of Robert S. O. Griffith et al. against The United States (H. Doc. No. 987); to the Committee on Claims and ordered to be printed.

2. A letter from the assistant clerk of the Court of Claims, transmitting findings of fact and conclusions of law in the French spoliation claims relating to the ship *Hare*, in the case of Augustus W. Clason, administrator of Isaac Clason, against The United States (H. Doc. No. 988); to the Committee on Claims and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 14551) granting a pension to William J. Walker; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14467) granting an increase of pension to Moses Goldstein; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15945) granting an increase of pension to Lee Henning; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 16255) granting a pension to Herman Siegel; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 16507) granting an increase of pension to Frank Hemenway; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WILSON of Florida: A bill (H. R. 16639) to amend section 5211 of the Revised Statutes of the United States, relating to national banking associations; to the Committee on Banking and Currency.

By Mr. REILLY of Wisconsin: A bill (H. R. 16672) to amend an act entitled "An act to increase pensions for total deafness"; to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes; to the Committee on the Public Lands.

By Mr. NEELEY of Kansas: A bill (H. R. 16674) to provide for the purchase or supplying of equipment for rural mail carriers; to the Committee on the Post Office and Post Roads.

By Mr. RAINEY: A bill (H. R. 16675) to amend an act entitled "An act to provide ways and means to meet war expenditures, and for other purposes"; to the Committee on Ways and Means.

By Mr. LA FOLLETTE: A bill (H. R. 16676) providing for the building of roads in the diminished Colville Indian Reservation, State of Washington; to the Committee on Indian Affairs.

By Mr. EDWARDS: A bill (H. R. 16677) to stop payment of back salary accumulations to Members of Congress and others; to the Committee on Accounts.

By Mr. MANN: A bill (H. R. 16678) to protect the water supplies of cities and towns around the Great Lakes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNETT: A bill (H. R. 16679) to authorize Bryan & Albert Henry to construct a bridge across a slough which is a part of the Tennessee River near Guntersville, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD of Virginia: A bill (H. R. 16680) providing for the appointment of secretaries in the Diplomatic Service and appointments in the Consular Service; to the Committee on Foreign Affairs.

By Mr. HOWARD: Resolution (H. Res. 520) authorizing the printing of certain hearings before Committee on Agriculture; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 16681) granting an increase of pension to William N. Cobb; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 16682) granting a pension to William C. Johnson; to the Committee on Invalid Pensions.

By Mr. BROUSSARD: A bill (H. R. 16683) for the relief of the heirs of Joseph Hernandez; to the Committee on War Claims.

By Mr. CAMPBELL: A bill (H. R. 16684) granting a pension to Oxley Johnson; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 16685) to remove the charge of desertion from the military record of Harrison H. Wolfe; to the Committee on Military Affairs.

By Mr. CONRY: A bill (H. R. 16686) granting an increase of pension to Michael Collins; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 16687) granting an increase of pension to James Williams; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 16688) granting a pension to Frank Sanford Stirling; to the Committee on Invalid Pensions.

By Mr. KEATING: A bill (H. R. 16689) granting an increase of pension to Thomas Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16690) granting an increase of pension to Sarah McGuire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16691) granting an increase of pension to Hans P. Nielson; to the Committee on Pensions.

Also, a bill (H. R. 16692) granting an increase of pension to John A. Truelove; to the Committee on Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 16693) granting an increase of pension to Joseph L. Buckley; to the Committee on Invalid Pensions.

By Mr. NEELEY of Kansas: A bill (H. R. 16694) granting an increase of pension to William Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16695) granting an increase of pension to William Gray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16696) granting an increase of pension to Daniel B. Waggoner; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 16697) granting a pension to William L. Carpenter; to the Committee on Invalid Pensions.

By Mr. PETERS of Maine: A bill (H. R. 16698) granting an increase of pension to Abner W. Fletcher; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 16699) for the relief of William Scholdt; to the Committee on Claims.

By Mr. STEENERSON: A bill (H. R. 16700) granting an increase of pension to Nels B. Olson; to the Committee on Invalid Pensions.

By Mr. STRINGER: A bill (H. R. 16701) granting an increase of pension to Ezra D. McMasters; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 16702) granting a pension to Mary A. Harding; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16703) granting an increase of pension to Francis M. Fowler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16704) granting an increase of pension to Alexander C. Harper; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions of certain citizens of Pittsburgh, Pa.; Philadelphia, Pa.; Fedora, S. Dak.; McPherson, Kans.; Atlantic Highlands, N. J.; Portland, Oreg.; Chicago, Ill.; Amoret, Mo.; Hays, Kans.; and Saxonburg, Pa., protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

Also (by request) petition of the Common Council of Stamford, Conn., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also (by request), petition of the Honolulu Merchants' Association, relative to the organization of the Regular Army; to the Committee on Military Affairs.

Also (by request), petition of the Philadelphia Yearly Meeting of Friends, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of Dan Grossup and 7 other citizens of Mount Vernon, Ohio, against national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY: Petition of the Roxbury United Evangelical Church, Johnstown, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRITTEN: Petition of Chicago Photo-Engravers' Union, No. 5, favoring the Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. BROWNING: Petition of 10 citizens of Woodbury Heights, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CURRY: Petition by Rev. G. L. Pearson, superintendent of the Sacramento District, California Conference Methodist

Episcopal Church, of Sacramento, Cal., praying for the passage of the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, petition by the congregation of the Central Methodist Church, of Sacramento, Cal., with a membership of 300, praying for the passage of the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, resolution by Vallejo Trades and Labor Council, of Vallejo, Cal., with regard to the Colorado strike situation; to the Committee on the Judiciary.

Also, petition by Loyal Sons Bible Class, No. 609, of Sacramento, Cal., praying for the passage of the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, petition by 45 residents of Port Costa and Pittsburg, Contra Costa County, and Napa City and the Veterans' Home, Napa County, all in the State of California, protesting against the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, petition of 23 residents of Napa County, Cal., protesting against the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

By Mr. DALE: Petitions of sundry citizens of New Jersey, against national prohibition; to the Committee on the Judiciary.

By Mr. DONOVAN: Petition of the Common Council of Stamford, Conn., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. ESCH: Petition of the Juneau County Sunday School Association, of Wisconsin, favoring national prohibition; to the Committee on the Judiciary.

By Mr. FESS: Petitions of 52 citizens of Ohio, favoring passage of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

Also, petition of the Taliaferro Chapter, Daughters of the American Revolution, favoring House bill 4900, to erect a monument at Georgetown, Ohio, to U. S. Grant; to the Committee on the Library.

By Mr. GERRY: Petitions of 42 residents of Bradford; 25 residents of Bradford; the Rhode Island Federation of Women's Church Societies, representing 2,000 members; 22 residents of Coventry; 11 residents of Westerly; 19 residents of Coventry; the First South Kingston Baptist Church; the Advent Baptist Church, of Peace Dale; the Society of Friends, East Greenwich; Benjamin S. Tubman, principal Natick public schools; Rev. F. B. Murch, First United Presbyterian Church, of Providence; the Rhode Island Anti-Saloon League; Rev. F. M. White, Union Baptist Church, of Providence; Rev. T. T. Green, of Natick; Rev. J. S. Wadsworth, of Providence, all in the State of Rhode Island, urging the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

Also, petition of 78 Swedish-American citizens of Cranston, R. I., urging an appropriation of \$100,000 for erection of monument to memory of Capt. John Ericsson, designer and constructor of the *Monitor*; to the Committee on the Library.

Also, petitions of the Hanley-Hoye Co., of Providence; the William H. Grimes Co., Pawtucket; Palmer & Madigan, Providence; the Providence Brewing Co., of Providence; J. C. Joyce, Otto Baur, and George H. Cook, of Narragansett Pier; McKenna Bros., John J. McGuire & Co., the Five Sullivan Bros., and 379 residents, all in the State of Rhode Island, protesting against the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

By Mr. GILMORE: Petition of sundry citizens of North Easton, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GREEN of Iowa: Petition of the Cass County (Iowa) Medical Society relative to House bill 6282, the Harrison anti-narcotic bill; to the Committee on Ways and Means.

By Mr. GUERNSEY: Petition of sundry citizens of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAMMOND: Petition of the Woman's Christian Temperance Union and 13 other citizens of Fairmont, Minn., and 53 citizens of Jasper, Minn., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of 10 citizens of Mapleton, 57 citizens of Mankato, and 18 citizens of Cobden, all in the State of Minnesota, against national prohibition; to the Committee on the Judiciary.

By Mr. IGOE: Telegrams from S. Thomas Carroll, Victor E. Blume, Charles A. Bosse, P. T. Malloney, Thomas White, Edwin Stapleton, Robert Bont, Charles Bell, August Schulte, August Gruss, Richard Keeney, J. St. Ledger Maher, Charles Lorenz, and Emil Gelhaus, protesting against pending prohibition resolutions, as well as all similar measures, as being un-American and against all principles of American citizenship; to the Committee on the Judiciary.

Also, telegram and letters from the Con P. Curran Printing Co., Frank Winter, and J. W. Rowland, president Rowland Sheet Iron & Cornice Works, protesting against prohibition resolutions and all similar measures; to the Committee on the Judiciary.

By Mr. KALANIANA'OLE: Petition of the Chamber of Commerce, Honolulu, Hawaii, relative to the organization of the Regular Army; to the Committee on Military Affairs.

By Mr. KEATING: Petitions of sundry citizens of Las Animas, Colo., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Colorado, against national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Connecticut: Petition of the Common Council of Stamford, Conn., favoring the Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. KENNEDY of Iowa: Petition of the Burlington District Methodist Episcopal Church, of Mount Pleasant, Iowa, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KORBLY: Petitions of sundry citizens of Indiana, against national prohibition; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of the Common Council of Stamford, Conn., favoring passage of the Hamill bill for civil-service retirement; to the Committee on Reform in the Civil Service.

Also, protest of sundry citizens of Connecticut, against national prohibition; to the Committee on the Judiciary.

By Mr. MARTIN: Petition of sundry citizens of the third congressional district of South Dakota, against national prohibition; to the Committee on the Judiciary.

Also, petition of the South Dakota State Luther League, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Fort Pierre, S. Dak., favoring woman's suffrage amendment; to the Committee on the Judiciary.

By Mr. NEELEY of Kansas: Petitions of 26 citizens of Barton County, Kans., against national prohibition; to the Committee on the Judiciary.

Also, petition of Great Bend (Kans.) Chapter, No. 1650, of the Epworth League of the Methodist Episcopal Church and the Haviland Quarterly Meeting of Friends, of Coldwater, Kans., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of F. R. Kraft, of Holyrood, Kans., against national prohibition; to the Committee on the Judiciary.

Also, petition of James Hadley, of Coldwater, Kans., favoring Federal censorship of motion pictures; to the Committee on Education.

Also, petition of sundry citizens of Cowley County, Kans., favoring House bill 2865, relative to pensions; to the Committee on Invalid Pensions.

Also, petitions by various Grand Army posts, women's relief corps, Spanish-American War soldiers, and divers and sundry veterans of the Civil War in Kansas, as well as soldiers' widows, all in behalf of House bill's 2865, 14747, and 14748, relative to pensions; to the Committee on Invalid Pensions.

Also, petitions from sundry citizens of Holsington, Bushton, Olmitz, Otis, Nekoma, Claflin, Alexander, and Geneseo, all in the State of Kansas, relative to House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. NEELY of West Virginia: Resolutions of the Preston County (W. Va.) Bar Association and Taylor County (W. Va.) Bar Association, expressing confidence in Hon. Alston G. Dayton, judge of the District Court of the United States for the Northern District of West Virginia; to the Committee on Rules.

Also, petition of sundry citizens of Adamston, W. Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. J. I. NOLAN: Petitions of the United Grocers' (Inc.) and the San Francisco Grocery Co., of San Francisco, Cal., against national prohibition; to the Committee on the Judiciary.

By Mr. O'HAIR: Petitions of sundry citizens of Illinois, against national prohibition; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of the Woman's Political Union of New York State, favoring woman-suffrage amendment to the Constitution; to the Committee on the Judiciary.

Also, petitions of sundry citizens of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petitions of sundry citizens of Rhode Island, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Rhode Island, against national prohibition; to the Committee on the Judiciary.

Also, petitions of F. E. Farnham, of Providence, R. I., and the Antisaloon League of America, Department of Rhode Island, against caucus action on prohibition amendment; to the Committee on the Judiciary.

Also, petition of the Congressional Union for Woman Suffrage and Woman Suffrage Party of Rhode Island, favoring woman-suffrage amendment; to the Committee on the Judiciary.

Also, petition of the Beaman & Smith Co., of Providence, R. I., against the Wilson omnibus bill relative to exclusive agencies; to the Committee on the Judiciary.

By Mr. PETERS of Maine: Petition of sundry citizens of Maine, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Maine, against Sabbath observance bill; to the Committee on the District of Columbia.

By Mr. RAKER: Letters from 30 residents of California, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. RAUCH: Petitions of sundry citizens of Indiana, against national prohibition; to the Committee on the Judiciary.

By Mr. REED: Petitions of Clarence E. Kelley and students of the Nute High School, of Milton, N. H., and Ernest Fox Nichols and two others from Dartmouth College, Hanover, N. H., protesting against intervention by the United States in Mexico; to the Committee on Foreign Affairs.

By Mr. SELDOMRIDGE: Petitions of various churches, representing 302 citizens of Fruita, 50 citizens of Colorado Springs, 45 citizens of Simon, 400 citizens of Rocky Ford, 50 citizens of Romeo, 70 citizens of Redvale, 60 citizens of Alamosa, 15 citizens of the Elco Woman's Christian Temperance Union, of Boulder, and sundry citizens of Cortez, Monte Vista, Eagle, and Mesita, all in the State of Colorado, favoring national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of California: Resolution of the Realty Board of Los Angeles, Cal., protesting against Hobson prohibition amendment to national Constitution; to the Committee on the Judiciary.

Also, resolution from S. L. Smith, secretary Epworth League of Los Angeles, Cal., representing 2,500 voters, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TREADWAY: Petition of sundry citizens of Massachusetts, against national prohibition; to the Committee on the Judiciary.

By Mr. WEAVER: Petition of sundry citizens of Yale, Okla., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Cigar Makers' Union No. 450, of Oklahoma City, Okla., against national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Papers to accompany a bill (H. R. 16670) granting an increase of pension to James D. Carr; to the Committee on Pensions.

Also, papers to accompany a bill (H. R. 16669) granting a pension to Ethel Culver; to the Committee on Invalid Pensions.

By Mr. WILSON of New York: Petition of the First National Bank of Brooklyn, N. Y., against House bill 15657, relative to interlocking directorates of banks; to the Committee on the Judiciary.

SENATE.

WEDNESDAY, May 20, 1914.

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee day by day, knowing that human wisdom and human strength are not sufficient for human life. The great problems that confront us can never be solved in the light of common day. But Thou dost give to us to live our lives in a spiritual atmosphere, charged with tokens of Thy love and powers of Thy grace, and Thou dost come with Thy gentle ministry upon the hearts and minds of Thy people, leading them to fulfill a divine plan. Help us to-day to know the guidance of God and to submit our lives to Thy holy will, that we may fulfill all the commission that Thou hast put into our hands and measure up to the responsibilities of Christian statesmen. For Christ's sake. Amen.

NAMING A PRESIDING OFFICER.

The Secretary (James M. Baker) read the following communication:

PRESIDENT PRO TEMPORE, UNITED STATES SENATE,
Washington, May 20, 1914.

To the Senate:

Being temporarily absent from the Senate I appoint Hon. GILBERT M. HITCHCOCK, a Senator from the State of Nebraska, to perform the duties of the chair during my absence.

JAMES P. CLARKE,
President pro tempore.

Mr. HITCHCOCK thereupon took the chair as Presiding Officer for the day.

The Journal of yesterday's proceedings was read and approved.

INDIAN RESERVATION LANDS.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4632) for the relief of settlers on the Fort Berthold Indian Reservation, in the State of North Dakota, and the Cheyenne River and Standing Rock Indian Reservations, in the States of South Dakota and North Dakota, which were, on page 1, line 4, to strike out "and directed"; on page 2, line 3, after "effect," to insert "the act of Congress approved May 27, 1910, entitled 'An act to authorize the sale and disposition of the surplus and unallotted lands in Bennett County, in the Pine Ridge Indian Reservation, in the State of South Dakota, and making appropriation to carry the same into effect,' and the act approved May 30, 1910, entitled 'An act to authorize the sale and disposition of a portion of the surplus and unallotted lands in Mellette and Washabaugh Counties, in the Rosebud Indian Reservation, in the State of South Dakota, and making appropriation and provision to carry the same into effect'"; on page 3, line 2, to strike out "said"; on page 3, line 2, after "lands," to insert "in said reservations"; and to amend the title so as to read: "An act for the relief of settlers on the Fort Berthold, Cheyenne River, Standing Rock, Rosebud, and Pine Ridge Indian Reservations, in the States of North and South Dakota."

Mr. CRAWFORD. I move that the Senate concur in the amendments of the House of Representatives. This is a bill in which my constituents are interested, as are also those of the Senator from North Dakota [Mr. McCUMBER], and the amendments were made at the instance of the Representatives from those States.

The PRESIDING OFFICER. The question is on concurring in the amendments of the House of Representatives.

The amendments were concurred in.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 4096) to amend the act authorizing the National Academy of Sciences to receive and hold trust funds for the promotion of science, and for other purposes, which was, on page 2, after line 7, to insert:

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. SUTHERLAND. I move that the Senate concur in the House amendment.

The motion was agreed to.

CONSTRUCTION OF REVENUE CUTTERS.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the amendment of the House No. 3 to the bill (S. 4377) to provide for the construction of four revenue cutters, insisting upon its amendment to the title of the bill, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. NELSON. I move that the Senate disagree to the amendments of the House of Representatives; insist upon its amendment to the amendment of the House No. 3; agree to the conference asked for by the House on the disagreeing votes of the two Houses thereon, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Presiding Officer appointed Mr. BANKHEAD, Mr. RANDELL, and Mr. NELSON conferees on the part of the Senate.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Military Affairs:

H. R. 5304. An act to increase the efficiency of the aviation service of the Army, and for other purposes; and

H. R. 9042. An act to permit sales by the supply departments of the Army to certain military schools and colleges.

The following bills were severally read twice by their titles and referred to the Committee on Indian Affairs:

H. R. 9899. An act to authorize the laying out and opening of public roads on the Winnebago, Omaha, Ponca, and Santee Sioux Indian Reservations in Nebraska; and

H. R. 10835. An act to authorize the Secretary of the Treasury to consolidate sundry funds from which unpaid Indian annuities or shares in the tribal trust funds are or may hereafter be due.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 14189. An act to authorize the construction of a bridge across the Missouri River near Kansas City; and